

July 6, 2021 Agenda Packet



MEETING POSTING

TOWN OF NANTUCKET

Pursuant to MGL Chapter 30A, § 18-25
All meeting **notices and agenda** must be filed and time stamped with the
Town Clerk's Office and posted at least 48 hours prior to the meeting
(excluding Saturdays, Sundays and Holidays)

RECEIVED

2021 JUL 01 AM 10:18
NANTUCKET TOWN CLERK
Posting Number:T 644

Committee/Board/s	AFFORDABLE HOUSING TRUST
Day, Date, and Time	TUESDAY, JULY 6, 2021 @ 12:30PM
Location / Address	REMOTE PARTICIPATION <i>VIA ZOOM (See Below)</i> THE MEETING WILL BE AIRED AT A LATER TIME ON THE TOWN'S GOVERNMENT TV YOUTUBE CHANNEL AT https://www.youtube.com/channel/UC-sgxAlfdoxteLNzRAUHIxA
Signature of Chair or Authorized Person	TUCKER HOLLAND MUNICIPAL HOUSING DIRECTOR
WARNING:	IF THERE IS NO QUORUM OF MEMBERS PRESENT, OR IF MEETING POSTING IS NOT IN COMPLIANCE WITH THE OML STATUTE, NO MEETING MAY BE HELD!

SPECIAL JULY MEETING

AGENDA FOR 07-06-2021

(Subject to change)

www.nantucket-ma.gov

Join Zoom Meeting

<https://us06web.zoom.us/j/83222452401?pwd=bThpNkc2Y2VFenJTUGl0djVLMElhCdz09>

Meeting ID: 832 2245 2401

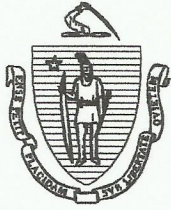
Passcode: 099178

Purpose: To discuss business as noted below. Electronic copies of the complete text, plans, application, or other material relative to each agenda item are available per request by email to tholland@nantucket-ma.gov. Please email to request a paper copy and you will be provided a time to retrieve from the Housing Office located in Room 111 at 16 Broad Street between the hours of 8:30 AM and 4:30 PM on weekdays.

Trust Members: Brian Sullivan (Chairman), Brooke S. Mohr (Vice Chair), Penny Dey, Kristie Ferrantella, Dave Iverson, Allyson Mitchell, Reema Sherry

PLEASE LIST BELOW THE TOPICS THE CHAIR
REASONABLY ANTICIPATES WILL BE DISCUSSED AT THE MEETING

- I.** CONVENE in Open Session via Zoom
- II.** APPROVAL of Agenda
- III.** Approval of Minutes
 - June 1st, 2021 Minutes
- IV.** CCAP Application
 - Hafsa Lewis – 45B Beach Grass Road
- V.** Certification / Safe Harbor UPDATE
- VI.** Housing Production Plan – REVIEW and RECOMMENDATION
- VII.** Annual Town Meeting Review – Housing Related Articles
- VIII.** 31 Fairgrounds Road - UPDATE
- IX.** DISCUSSION of Priorities Between Now and Annual Town Meeting 2022
- X.** Other Business
 - Next Meetings – planned to take place in the COMMUNITY ROOM @ 4 FAIRGROUNDS ROAD (Public Safety Facility)
 - June Regular Meeting: Tuesday, July 20, 2021 at 12:30pm
- XI.** PUBLIC COMMENT (for items not otherwise on the agenda)
- XII.** BOARD COMMENTS
- XIII.** Executive Session, Pursuant to MGL C. 30A § 21(A)
 - Purpose 6: To consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body.
- XIV.** Adjourn



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn Polito, Lieutenant Governor ♦ Jennifer D. Maddox, Undersecretary

June 17, 2021

Ms. Dawn E. Hill Holdgate, Chair
Nantucket Select Board
16 Broad Street
Nantucket, MA 02554

RE: Housing Production Plan - Certification Amendment Approved

Dear Ms. Hill Holdgate:

The Department of Housing and Community Development (DHCD) has reviewed the Town of Nantucket's June 11, 2021 request for certification of compliance with its Housing Production Plan (HPP). In order for a municipality to be certified the following needs to occur:

- Housing units affordable to low and moderate income households and eligible for inclusion on the Subsidized Housing Inventory (SHI) have been produced during one calendar year, the same year for which certification is requested during the initial year of SHI eligibility.
- Units must total at least 0.5% (24 units for Nantucket) of year-round housing units for one-year of certification. A total of 1% of year-round housing units (49 units for Nantucket) are needed for a two-year certification,
- The units were produced and are eligible in accordance with the approved HPP and DHCD's c. 40B Guidelines.¹

DHCD makes the following findings:

1. Nantucket has a valid HPP. The effective date for the HPP is October 4, 2016, the date that DHCD received a complete plan submission. The HPP has a five year term and will expire on October 3, 2021.
2. The projects for which certification is requested are Benjamin Drive (SHI ID# 10590) which consists of 3 ownership units and 32 Fairgrounds Road which consists of 22 rental units (SHI # ID 10591). These combined projects consists of 25 SHI eligible units which is enough for a one-year certification period (24 units).
3. The housing developments are consistent with the production goals outlined in the Nantucket Housing Production Plan.

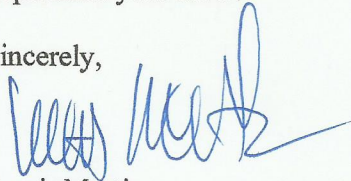
This certification is effective for a one year period beginning on June 11, 2021 to June 10, 2022. Please note that all units must retain eligibility for the SHI for the entire certification period. If units are no longer

¹ <https://www.mass.gov/files/documents/2017/10/10/guidecomprehensivepermit.pdf>.

eligible for inclusion on the SHI, they will be removed and will no longer be eligible for certification. This action may affect the term of your certification. I have included an updated list of SHI eligible units. Nantucket's current SHI stands at 5.58%.

I applaud your efforts to plan for the housing needs of Nantucket. Please contact Phillip DeMartino, Technical Assistance Coordinator, at (617) 573-1357 or Phillip.DeMartino@mass.gov if you need assistance as you implement your HPP.

Sincerely,



Louis Martin
Director, Division of Community Services

cc : Senator Julian Cyr
Representative Dylan A. Fernandez
Libby Gibson, Town Manager, Town of Nantucket
Andrew Vorce, Director of Planning, Town of Nantucket
Judith Wegner, Chair, Planning Board, Town of Nantucket
Susan McCarthy, Chair, Zoning Board of Appeals, Town of Nantucket
Tucker Holland, Housing Specialist, Town of Nantucket

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Nantucket

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
2055	Miacomet Village I	3 Manta Drive	Rental	10	Perp	Yes	DHCD
2056	Miacomet Village I	3 Manta Drive	Rental	12	Perp	Yes	DHCD
2057	Academy Hill School	Westminster St.	Rental	27	2033*	No	DHCD MassHousing MassHsg/HUD
2058	Landmark House	144 Orange St.	Rental	18	2020*	No	RHS
2059	Landmark House II	Orange St.	Rental	8	2041	No	FHLBB HUD
2060	Miacomet Village II	Norquarta Drive	Rental	19	05/01/2047	Yes	FHLBB RHS
2061	Nantucket Housing Authority	Benjamin Drive	Rental	5	Perp	No	HUD HUD HUD
4383	DDS Group Homes	Confidential	Rental	0	N/A	No	DDS
4588	DMH Group Homes	Confidential	Rental	5	N/A	No	DMH
7610	Norquarta Drive	Norquarta Drive	Rental	2	perp	No	DHCD
7611	Dartmouth Street	Dartmouth Street	Rental	2	perp	No	Town of Nantucket
7612	Norwood Street	Norwood Street	Rental	1	perp	No	Town of Nantucket

6/16/2021

Nantucket
Page 1 of 2

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Nantucket

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
7613	Irving Street	Irving Street	Rental	1	perp	No	<i>Town of Nantucket</i>
7614	Clarendon Street	Clarendon Street	Rental	1	perp	No	<i>Town of Nantucket</i>
9086	Abrem Query	2-4-6-8 Folger Ave	Ownership	7	Perp	YES	<i>FHLBB</i>
9087	Beach Plum Village	15-19 Rugged Road & 6-8 Scotts Way	Ownership	10	Perp	YES	<i>MassHousing</i>
10262	Ticcoma Way	Ticcoma Way	Rental	1	Perp	NO	<i>DHCD</i>
10263	Sachem's Path I and II	95 Surfside Road, Wapossett Circle & Nanina Drive	Ownership	10	Perp	YES	<i>DHCD</i> <i>MassHousing</i>
10295	7 Surfside Road	7 Surfside Road	Rental	4	Perp	NO	<i>DHCD</i>
10296	Meadows II	Davkim Lane	Rental	90	Perp	NO	<i>DHCD</i>
10297	Surfside Crossing	3, 5, 7 & 9 South Shore Rd	Ownership	15	Perp	YES	<i>MassHousing</i>
10590	Benjamin Drive - Habitat for Humanity	Benjamin Drive	Ownership	3	Perp	YES	<i>DHCD</i>
10591	31 Fairgrounds	31 Fairgrounds	Rental	22	Perp	NO	<i>DHCD</i>
Nantucket Totals				273	Census 2010 Year Round Housing Units		4,896
					Percent Subsidized		5.58%

TOWN OF NANTUCKET Housing Production Plan

Revised Draft
07/01/2021



J M G O L D S O N
EMPOWERING PEOPLE. CREATING COMMUNITY.

This document is formatted for double-sided printing. Blank pages are intentional.

TOWN OF NANTUCKET

Housing Production Plan

2021-2026

Prepared by:
BARRETT PLANNING GROUP LLC
Judi Barrett
Tyler Maren

with assistance from
JM Goldson
Jennifer Goldson
Barry Fradkin

Submitted to:
Nantucket Affordable Housing Trust

Brian Sullivan, Chair
Brooke S. Mohr, Vice-Chair
Penelope Dey
Kristie Ferrantella
Dave Iverson
Allyson Mitchell
Reema Sherry

Municipal Housing Director
Tucker Holland

CONTENTS

INTRODUCTION	1
Background	1
Why Have a Housing Production Plan?	2
A Note on the Data: Who is Not Counted?	3
Neighborhood-Level Analysis	3
Plan Summary	4
Key Findings	4
Goals.....	6
Strategies.....	6
HOUSING NEEDS ASSESSMENT	9
Demographic Profile	9
Key Findings	9
Population Change.....	9
Population Age.....	11
Household Type and Size	12
Group Quarters	13
Race, Ethnicity, and Culture.....	14
Public School Enrollment.....	18
Education, Work and Earnings	19
Disability.....	20
Household Wealth	20
Poverty and Homelessness	22
Housing Profile.....	22
Key Findings	22
Housing Supply.....	23
Age of Housing.....	25
Occupancy and Tenure.....	26
Geographic Mobility	27
Housing Sales Price and Market Rents	28
Overcrowding.....	31

Severe Housing Problems	32
Short-Term Rentals	32
Chapter 40B	34
Subsidized Housing Inventory	35
Impediments to Affordable Housing Development.....	36
Environmental Constraints	36
Land Conservation	37
Regulatory Assessment.....	39
Infrastructure Constraints	44
Community Opposition.....	45
HOUSING GOALS.....	49
HOUSING STRATEGIES & ACTION PLAN.....	51
Identify Municipal Properties.....	52
Disposition of Town Land.....	53
Identify Private Properties	53
Negotiated Chapter 40B Developments.....	54
Expand Existing Zoning Tools.....	54
Inclusionary Zoning	55
Adapting Strategies for Different Areas of Town.....	56
Historic District Standards for Multifamily Housing	57
Needs Assessment for Housing for People with Disabilities.....	57
Community Land Trust	58
Formalize and Regulate Room Rentals	58
Build Off-Island	Error! Bookmark not defined.
Public Outreach Initiatives.....	52
Local and Regional Partnerships.....	59
Reliable Affordable Housing Funding Streams	51

Section 1

INTRODUCTION

BACKGROUND

Nantucket has taken a number of strides in recent years to address its year-round housing need. In just the last three years, Nantucket has gone from less than 2% of its year-round housing stock being affordable, to now over 5 ½ %, or 273 residences, being eligible to be listed on the Town's Chapter 40B Subsidized Housing Inventory ("SHI").¹ This plan is an update to Nantucket's 2016 Housing Production Plan (HPP), which has been the community's guide and expires in October 2021. Recognizing the significant housing crisis faced by its residents, the Town has proactively worked to develop and approve a new HPP to guide the next five years of housing development. Many of the same housing challenges that existed in 2016 continue today, yet Nantucket has made significant progress in addressing the goals and strategies presented in the 2016 HPP. For example:

- **Housing Plan Certification.** On the eve of completing this HPP Update, the Department of Housing and Community Development ("DHCD") approved Nantucket's request for a one-year HPP certification due to the creation via Comprehensive Permit of three affordable homeownership units at Benjamin Drive (Habitat for Humanity) and the creation of 22 rental units at 31 Fairgrounds Road through the Local Action Unit program (Wiggles Way Affordable Rentals by Housing Nantucket). Nantucket's Affordable Housing Trust ("NAHT") is providing over \$11 million in financial support for these two exciting projects. It's noteworthy this is the second time the Town's HPP has been certified since 2016.
- **Capacity.** Nantucket has created a new department head-level position to lead the community's efforts in addressing this existential issue for the island's year-round community. The Housing Director reports directly to the Town Manager and works alongside the NAHT. An annual \$2 million operating budget for the Housing Office has been established as of 2021. New staff are being added in FY22.
- **Funding.** Town Meeting has approved over \$40 million in the last two years to support affordable housing initiatives, specifically to help the Town reach and maintain "safe harbor" under the Chapter 40B regulations. This includes a \$20 million bond authorization known locally as "Neighborhood First" and a \$5 million bond backed by CPA revenues.
- **Land Acquisition.** The 2016 HPP laid out a roadmap for the NAHT to build capacity as a strong leader in Nantucket's affordable housing sphere. Today, the NAHT is a more effective and active body than ever, and it has played an instrumental role in the completion of this new HPP. Examples of properties the NAHT has either acquired or played a role in financing affordable housing development include:
 - 135 and 137 Orange Street;

¹ SHI calculations are based on the most recent available Census data. At the time of writing, the 2010 Census was the most recent for which town-level housing data had been released. Upon the release of 2020 Census data, the number of units SHI units Nantucket is obligated to produce will change.



- 31 Fairgrounds, where the Trust provided funding for Housing Nantucket to acquire the land and develop it; and
- 7 Amelia Drive. Here, the Trust owns two-thirds of the property while the Town owns the other third for construction of Waitt Drive, a roadway connector to the 6 Fairgrounds Road affordable housing development (64 units).
- **Housing Production.** The Town achieved a significant housing production goal in cooperation with developers the Richmond Corporation, authorizing projects under the Workforce Rental and Workforce Homeownership Bylaws. 90 new rental units in the Meadows development are now occupied, and Sandpiper Place offers homeownership opportunities- including building lots- for first-time buyers.
- **Home Rule Petition.** Town Meeting on multiple occasions has unanimously backed the Housing Bank Home Rule Petition, HB 3637, (previously HB 2794), which would provide a steady stream of affordable housing funding through a real estate transfer tax on sales of homes over \$2 million. Since Nantucket initiated this effort four years ago, several communities have filed similar transfer fee bills with the legislature, such as Somerville, Boston, Provincetown, Truro, Concord and most recently Chatham. Brookline also plans to follow suit.
- **Housing Choice Community.** Nantucket qualified for the inaugural class of the Housing Choice Communities and renewed its membership in 2020. The Town was pleased to receive a Housing Choice Communities Capital Grant for \$250,000, alongside a \$1.5 million MassWorks grant, for infrastructure creation to support housing development and the prospective addition of seventy-two new affordable units to Nantucket's Chapter 40B SHI.

The goals and strategies in Nantucket's 2021 HPP seek to build upon the notable progress already made and move the Town closer to meeting its significant affordable housing needs.

Why Have a Housing Production Plan?

A Housing Production Plan describes a community's housing needs using data from sources such as the U.S. Census Bureau, housing market reports, municipal records, and community interviews. Using this analysis of the supply and demand of affordable housing and potential barriers to further housing development, an HPP then sets a series of qualitative and quantitative affordable housing goals. Based on these goals, the document must then lay out a plan for achieving these goals through a set of specific strategies. A completed HPP requires approval by the Massachusetts Department of Housing and Community Development (DHCD) in order for a town to rely on it as a later basis seeking HPP certification.

While many types of housing needs may be considered, a primary purpose of an HPP is to help communities reach the threshold prescribed by Massachusetts General Laws (G.L.) Chapter 40B of 10 percent of total year-round housing units deed-restricted to be affordable for low-income households. "Low-income" in this context is defined as a household making 80 percent or less of the region's Area Median Income (AMI), calculated by the U.S. Department of Housing and Urban Development (HUD). Whether a community has reached the 10 percent affordable threshold is



determined by the Chapter 40B Subsidized Housing Inventory (SHI), a periodically updated list of all affordable units recognized by DHCD.

Adopting an HPP not only helps a community to assess and plan for its long-term housing needs, but it also works as a vehicle for achieving “Safe Harbor” status from DHCD. A community with a DHCD-approved HPP may become eligible for housing plan certification by adding new affordable units to the Chapter 40B SHI at an annual rate of at least 0.5 percent of its total year-round housing units as reported in the most recent federal census (for Nantucket, the minimum is twenty-four units in one calendar year). Once DHCD certifies the community’s progress under the approved HPP, the Zoning Board of Appeals may invoke what is known as “Safe Harbor” status in response to a comprehensive permit application. This means that the Town, despite not meeting the 10 percent statutory minimum, may impose conditions on or outright deny the issuance of a comprehensive permit, resulting in more control over the type, location, and design of residential development while continuing to meet housing needs through HPP strategies. Achieving the 0.5 percent annual increase entitles a community to one year of Safe Harbor while reaching one percent or greater allows for two years (for Nantucket, forty-nine units).

A NOTE ON THE DATA: WHO IS NOT COUNTED?

This HPP relies heavily on United States Census data (especially on the 2019 American Community Survey [ACS] five-year estimates) and other official sources, which presents a unique problem in Nantucket. For years, local conventional wisdom has held that the Census underreports the island’s total population, due largely to two distinct issues: a highly mobile seasonal population that tends to come and go throughout the year, and a significant population of undocumented immigrant workers. Recent studies by the Nantucket Data Platform indicate that local wisdom may be factually correct, that many more people do live in Nantucket than the Census Bureau reports. However, the 10 percent affordable housing threshold is statutory and not something that either DHCD or the Town of Nantucket can waive. Since the HPP is a product of state policies for implementing Chapter 40B, these plans need to follow planning best practices and use the best available, systematically collected demographic and housing data while acknowledging its potential shortcomings. Moreover, every HPP should incorporate local knowledge where appropriate to provide the most accurate picture possible of conditions “on the ground.” When it comes to statistics such as language proficiency, average number of occupants per room, and household income, the data for Nantucket may not tell the full story.

Neighborhood-Level Analysis

Nantucket contains multiple distinct historic villages and neighborhoods with their own population characteristics and housing needs. To better capture the geographic diversity within Nantucket, the Housing Needs Assessment examines selected data at the Census Tract level.² The Town contains five Census Tracts as shown on Map 1-1. Table 1-1 summarizes the characteristics of each tract and correlates the tracts with traditional village areas, to the extent possible. Note

² A Census Tract is a type of geographic area used by the US Census Bureau to divide counties and municipalities into smaller pieces to help with census-taking; they may be thought of as roughly equivalent to “neighborhoods” in scale.



that the year-round populations for these tracts vary significantly, with Tract 9502 having a full ten times the reported population of Tract 9503.07.

Table 1-1: Nantucket Census Tract Summary					
Tract #	Major Areas & Villages	Population	Median Age	Households	Average Household Size
9501.00	Historic Town Center, Brant Point	1,649	52.2	655	2.3
9502.00	Mid-Island, Miacomet	5,270	37.5	1,751	3
9503.07	Madaket, Dionis, Tuckernuck & Muskeget Islands	518	39.2	182	2.9
9504.00	Surfside, Airport	2,680	35.2	676	3.9
9505.00	Siaconset, Tom Nevers, Polpis, Wauwinet	1,051	60	449	2.1
Source: American Community Survey 5-Year Estimates (2019)					

PLAN SUMMARY

Key Findings

The Housing Needs Assessment builds upon data from the U.S. Census Bureau, HUD, the Town of Nantucket, and interviews with community stakeholders to provide a picture of recent demographic and housing trends on Nantucket. The key findings from the Demographic Profile section of the Needs Assessment are that Nantucket has:

- **An aging population.** Like most Massachusetts communities, the age distribution in Nantucket is expected to skew older in the coming decades.
- **Unequal income distribution.** The island's villages and neighborhoods have drastically different median household incomes, and a wide range of incomes exist within these areas.
- **A steadily growing population.** The island's year-round population has been increasing slowly but consistently for over a decade.
- During the same period, **the number of year-round households has been shrinking.** This means that more people are living in fewer households, i.e., more people per dwelling unit.
- **Significant presence of undocumented immigrants.** While undocumented immigrants are difficult to count, Town Staff and various community organizations agree that they are present on Nantucket in large numbers.
- **Increasing proportion of minority students in public schools.** Despite having a majority-White population, Nantucket Public Schools recently reported a "majority-minority" student body for the first time.



The second half of the Housing Needs Analysis is the Housing Profile, which examines factors such as the local real estate market, production of new units, and existing housing stock. The major findings from this section include:

- **Limited housing diversity.** The housing stock is overwhelmingly comprised of single-family detached dwellings (although multiple such dwellings may be allowed on one lot), indicating that Nantucket has limited housing diversity in terms of size and tenure. Some of the detached dwellings in Town are small homes or cottages created as second dwellings on single-family properties, which is allowed under Nantucket's zoning, but there is very little multifamily housing.
- **Geographic concentration.** Most of the housing options beyond single-family detached dwellings are concentrated in the center of the island.
- **High rental housing costs in relation to year-round household income.** Most renter households have high housing cost burdens, meaning they pay more than 30 percent of their gross monthly income for housing costs. Cost burden is common among Nantucket homeowners, too.
- **Overcrowding.** Community leaders and others knowledgeable about the island's housing conditions report that significant overcrowding problems existing across the island.
- **Relatively new housing stock.** A majority of Nantucket's housing stock has been constructed since 1980, despite the island's strong identification with its colonial-era history and architecture. Almost 60 percent of all dwelling units in Nantucket today were built in one thirty-year period, from 1980 to 2009.
- **Nantucket has high vacancy rates and a large number of seasonal units,** a condition typical of vacation/resort areas. Many local officials and residents interviewed for this HPP believe in the past decade, the number of units reserved for seasonal use increased faster than total new housing construction. Market demand for a seasonal or vacation residence has outpaced demand for year-round housing so much that once-existing year-round homes have been absorbed by seasonal buyers.

Several of the most significant issues reported by officials and other residents are uniquely difficult to capture in official data sources. Challenges such as the proliferation of overcrowded room rentals or the inability of undocumented immigrants to access housing assistance remain invisible to agencies such as the Census Bureau. Where possible, these data gaps were filled by community feedback and stakeholder interviews for this HPP.

The third and final part of the Housing Needs Assessment is the analysis of Barriers to Affordable Housing Development. This section examines factors that constrain the development of affordable housing, including the environment, zoning regulations, available infrastructure, and community opposition. Some barriers should be recognized and protected as vital public interests. For example, environmental resources are critical community assets, but it is important to understand where new housing might be developed and what forms of housing are or should be permitted.



Goals

This HPP addresses both quantitative and qualitative goals. The primary numerical goal is to produce at least twenty-four units of new, SHI-eligible units every year in order to qualify for “safe harbor” status. The major qualitative goals describing the desired type, location, affordability level, and other characteristics of new housing, each of which is divided into more specific subgoals, are as follows:

- Preserve, diversify, expand year-round housing stock
 - *Increase both rental and ownership housing options*
 - *Provide for age-restricted housing to address the unmet needs of Nantucket’s elderly population*
 - *Encourage units of different sizes, and in various neighborhoods*
 - *Protect existing year-round housing from conversion to seasonal use*
- Increase focus on affordability at all levels
 - *Increase focus on affordability for households with incomes between 50-100% AMI, where the highest levels of housing cost burden exist*
 - *Adopt additional zoning regulations to encourage the production of affordable housing*
- Tailor development strategies to location and principles of the Master Plan
 - *Working within existing zoning and Nantucket’s Master Plan, continue to focus higher density in appropriate areas and create alternative tools for affordable housing in lower-density areas.*
 - *Identify specific sites to encourage affordable and mixed-income development*
- Engage in outreach, education, and partnerships
 - *Expand and maintain partnerships with regional organizations that deal with housing issues*
 - *Reach out to underserved residents*
 - *Educate the public about affordable housing*

Strategies

The following strategies address DHCD requirements for approval of the HPP. They are meant to further Nantucket’s affordable housing goals over the next five years.

- **Institute Reliable Funding Streams for Affordable Housing Funding.** Housing organizations require adequate and reliable annual funding sources to create or expand programs, so the Town should consider a series of proposed taxes and fees to fund local affordable housing initiatives where permitted by law. This includes continuing to pursue the “Housing Bank Bill.”
- **Continue Public Outreach Initiatives.** Multiple forms of well-organized public outreach initiatives related to affordable housing, such as community education programs or the



translation of materials into multiple languages, are vital for housing strategies to succeed and to combat misinformation about affordable housing.

- **Identify Municipal Properties.** Several publicly owned properties were identified as potential locations to encourage affordable housing development (see Appendix A).
- **Make Town-owned Land Available for Affordable Housing.** The Town should directly facilitate housing development on appropriate parcels that it controls, including properties identified under the previous strategy.
- **Identify Private Properties.** Several privately owned properties were identified as potential locations to encourage affordable housing development through cooperation with property owners, potentially utilizing a Comprehensive Permit approach (see Appendix A).
- **Pursue “Friendly” 40Bs.** The Comprehensive Permit process under Chapter 40B should be used as a tool through which the Town and developers can facilitate mutually beneficial affordable housing developments on properties where development might not have been viable under local zoning regulations. A friendly 40B (so-called) can include a Local Initiative Program (LIP) Comprehensive Permit or a Comprehensive Permit applied for with a traditional Project Eligibility Letter (PEL) from an agency such as MassHousing. The point is to collaborate with applicants to craft a feasible project in locations that align with Nantucket’s Master Plan and other planning policies.
- **Expand Existing Zoning Tools.** Nantucket already has a robust set of zoning provisions for encouraging housing production. These should be expanded to be allowable in more areas of the island and designed to help Nantucket’s lower-income households.
- **Explore Additional Zoning Changes.** Some additional changes to Nantucket’s Zoning Bylaw should be considered to encourage affordable housing development, such as reducing parking requirements for multifamily development in certain zoning districts.
- **Inclusionary Zoning.** The Town should adopt an Inclusionary Zoning Bylaw, requiring that residential projects over a certain appropriate size should include a percentage of permanently affordable units or pay an “in-lieu” fee to the Nantucket Affordable Housing Trust.
- **Adapt Strategies for Different Areas of Town.** While mid-scale multifamily development is most viable in the more densely populated center of the island, appropriate methods for providing affordable housing in other villages and neighborhoods should be implemented. This may include providing deep subsidies to create lower-density affordable housing in areas designated for a “country” development pattern.
- **Expand Rental Opportunities.** Nantucket’s supply of rental housing lags demand, so while the Town should continue to pursue homeownership opportunities, there should be an increased emphasis on providing affordable rental options – and especially low- and very-low-income rental options.
- **Historic District Standards for Multifamily.** The Town should work with the Nantucket Historic District Commission to develop island-appropriate design standards for new multifamily and affordable housing construction. Published guidelines would help to both



streamline the development process and ensure that future developments continue to be in keeping with local character.

- **Conduct a Needs Assessment for Housing for People with Disabilities.** The Town should conduct a needs assessment to determine where action is needed to meet the housing needs of residents with disabilities of any kind.
- **Establish a Community Land Trust.** A Community Land Trust (CLT) is a non-profit entity that purchases private land and holds it in perpetuity to produce affordable housing. By selling homes but retaining ownership of the underlying land, a trust can reduce the sales price of its properties to affordable levels. As a private entity, a CLT can also manage the housing sales and resales process without the burdensome requirements that public entities must comply with under G.L. c. 30B, the Uniform Procurement Act.
- **Allow Modular Homes.** Part of what makes housing on the island so expensive is the cost of importing materials and labor, so opportunities to encourage the use of prefabricated homes manufactured off-island should be explored.
- **Maintain and Expand Local and Regional Partnerships.** While Nantucket is an island, making regional collaboration more difficult than in other towns, there is still potential to collaborate with housing organizations throughout the Cape and Islands region to pursue affordable housing initiatives that would be unattainable otherwise.



Section 2

HOUSING NEEDS ASSESSMENT

DEMOGRAPHIC PROFILE

Key Findings

Nantucket's future housing needs will be shaped by these population trends:

- **An aging population.** Like most Massachusetts communities, the age distribution in Nantucket is expected to skew older in the coming decades.
- **Significant income inequality.** The island's villages and neighborhoods have drastically different median household incomes, and a wide range of incomes exist within these areas.
- **A steadily growing population.** Nantucket's year-round population has been increasing slowly but consistently for over a decade.
- **Declining number of year-round households.** During the same period, the number of year-round households has been shrinking. This means that more people are living in fewer households.
- **Significant presence of undocumented immigrants.** While undocumented immigrants are difficult to count, Town Staff and various community organizations agree that they are present on Nantucket in large numbers.
- **Increasing proportion of minority students in public schools.** Despite having a majority-White population, Nantucket Public Schools are likely to have a "majority minority" student body soon, based on recent trends.

Population Change

Far from the days when a declining whaling industry led people to abandon the island in droves, Nantucket has experienced steady population growth since the 1960s following a stagnant first half of the twentieth century. The most significant growth period for the Town was in the 1990s, during which the year-round population increased from about 6,000 to nearly 10,000. Over the last decade growth has continued, but at a slower pace (Table 2-1). Figure 2-1 plots Nantucket's population growth rate between each decennial census since 1940 compared with Massachusetts as a whole and the other counties of the Cape and Islands region. Martha's Vineyard and Nantucket have experienced significantly higher population growth than the state since 1970, where Cape Cod's

Table 2-1. Nantucket Population Since 2010

Year	Population	% change from previous year
2019	11,168	0.6%
2018	11,101	1.7%
2017	10,912	2.0%
2016	10,694	1.3%
2015	10,556	1.4%
2014	10,414	1.9%
2013	10,224	0.3%
2012	10,194	0.6%
2011	10,135	0.7%
2010	10,069	-8.6%

Source: American Community Survey 5-Year Estimates (2009-2019). Note that the ACS publishes a population estimate based on sampling. The estimate for 2010 may not match the official population count for Census 2010.



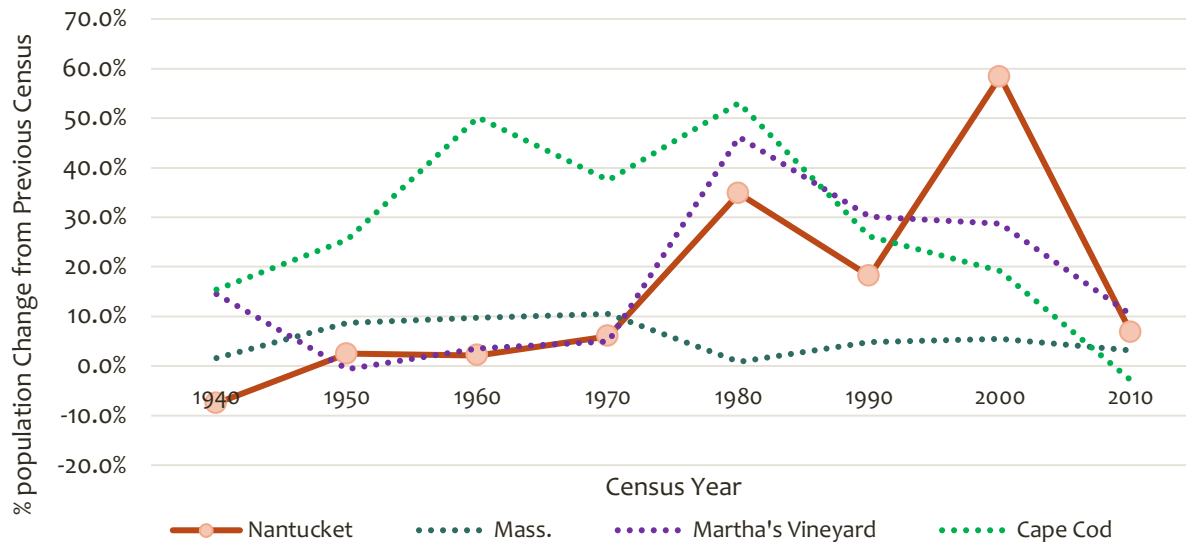
population growth peaked earlier and has begun to shrink in recent years. If future population predictions hold true, Nantucket's population will increase by about 18 percent between 2010 and 2035.³

Nantucket is unusual in that the year-round population reported by the Census tells only half the story due to its status as a seasonal resort community. In the summer, residents with vacation homes on Nantucket reappear, causing the population to balloon until the autumn becomes chilly (to say nothing of the daytime tourists and short-term visitors who also flock to the Town's beaches). While official sources do not capture seasonal populations, suffice it to say that for much of the year there are far more than 12,000 people in Nantucket at any given time.

As a result of more year-round residents living in fewer year-round housing units, the Town's average household size has increased.

Figure 2-1: Population Growth for Selected Geographies

(Source: U.S. Census, 1930-2010)



While Nantucket's population has slowly increased over the past decade, the number of households has been shrinking, as shown in Figure 2-2. Since the 2010 Census, there has been an estimated 12 percent decrease in the number of year-round households alongside a nearly 10 percent increase in population. As a result of more year-round residents living in fewer year-round housing units, the Town's average household size has increased from 2.39 in 2010 to 2.9 in 2019.⁴ The trend of more people living in fewer dwelling units may reflect problems with overcrowded housing mentioned by many of the local residents interviewed for this plan. Regardless, the stark divergence of population and household growth is a clear indicator of the island's housing crisis.

³ UMass Dartmouth Donahue Institute, Massachusetts Population Projections.
<https://donahue.umass.edu/business-groups/economic-public-policy-research/massachusetts-population-estimates-program/population-projections>

⁴ 2010 Decennial Census & ACS 2019 (5-Year Estimates)

Population Age

The age distribution of Nantucket's population does not differ significantly from that of Massachusetts as a whole. Table 2-2 shows that the Town has a somewhat higher proportion of young to middle-aged adults, with age groups from 25-54 years old overrepresented (Figure 2-3).

The age distribution of Nantucket's population does not differ significantly from that of Massachusetts as a whole. Table 2-3 shows that Nantucket has a somewhat higher proportion of young to middle-aged adults, with age groups from 25-54 years old overrepresented (Figure 2-3).

**Table 2-2. Age Group Distribution
Nantucket and Massachusetts**

Age Group	Nantucket		Massachusetts	
	#	%	#	%
17 or under	2,311	20.7%	1,371,260	20.0%
18-24	665	6.0%	697,610	10.2%
25-34	1,698	15.2%	973,485	14.2%
35-44	1,689	15.1%	836,367	12.2%
45-54	1,698	15.2%	938,102	13.7%
55-64	1,476	13.2%	926,640	13.5%
65-74	984	8.8%	633,197	9.2%
75-84	437	3.9%	317,216	4.6%
85 or older	210	1.9%	156,676	2.3%
Total	11,168	100.0%	6,850,553	100.0%

Source: American Community Survey 5-Year Estimates (2019)

Figure 2-2: Nantucket Population Age vs. Massachusetts Population

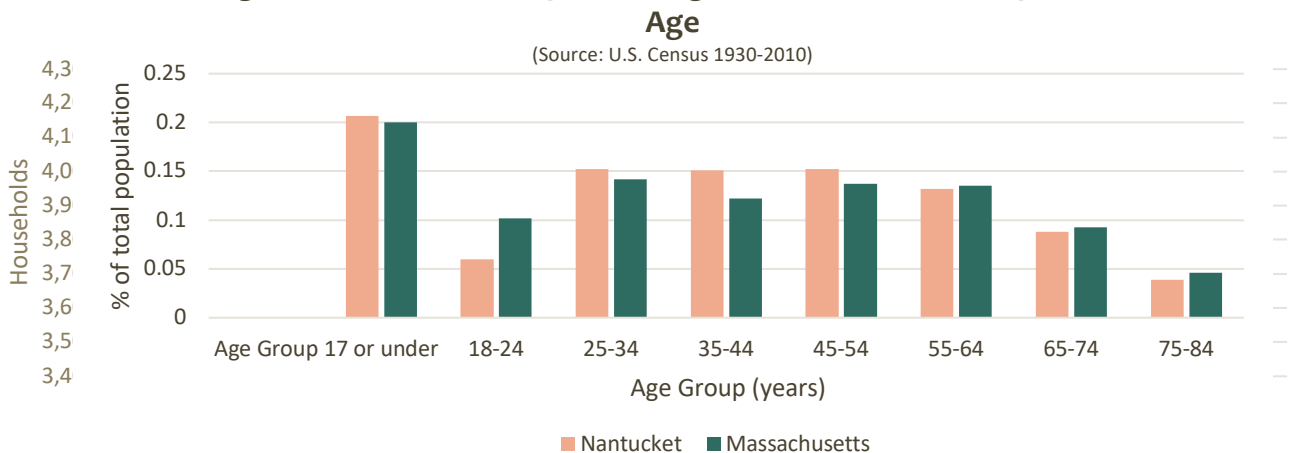


Table 2-3 reports the estimated change in age distribution between the 2010 Census and 2019 and shows that while Nantucket's population is not particularly old compared to the state average, it has been aging. In 2010, around 25 percent of the Town's population was 55 or older, whereas in 2019 that proportion had risen to nearly 28 percent. The most significant growth occurred in the 65-74 age range.



Table 2-3. Age Distribution in Nantucket Over Time

Age Group	2010 Census		2019 Estimates		Change 2010-2019
	#	%	#	%	
17 or under	2108	20.7%	2311	20.7%	9.6%
18-24	636	6.3%	665	6.0%	4.6%
25-34	1591	15.6%	1698	15.2%	6.7%
35-44	1689	16.6%	1689	15.1%	0.0%
45-54	1636	16.1%	1698	15.2%	3.8%
55-64	1285	12.6%	1476	13.2%	14.9%
65-74	692	6.8%	984	8.8%	42.2%
75-84	373	3.7%	437	3.9%	17.2%
85 or older	162	1.6%	210	1.9%	29.6%
Total	10,172	100.0%	11,168	100.0%	9.8%
<i>Source: American Community Survey 5-Year Estimates (2019), 2010 Decennial Census</i>					

The Donahue Institute projects that Nantucket's population will continue to age, with over one third of the population in their fifties or older by 2040.

Table 2-4. Population Projections

Age Group	2020	% Change	2025	% Change	2030	% Change	2035	% Change	2040
19 and under	2,589	3.7%	2,689	3.0%	2,773	4.0%	2,890	7.3%	3,119
20-29	1,304	19.9%	1,628	12.8%	1,868	6.3%	1,994	-1.3%	1,968
30-39	1,449	-25.2%	1,157	3.9%	1,204	21.3%	1,530	10.8%	1,715
40-49	1,593	-3.9%	1,533	-11.5%	1,375	-26.0%	1,091	1.4%	1,106
50-59	1,706	-5.4%	1,619	-9.8%	1,474	-7.2%	1,375	-11.7%	1,231
60-69	1,228	9.8%	1,361	3.9%	1,416	-6.7%	1,327	-12.0%	1,185
70-79	930	16.6%	1,115	-2.2%	1,091	6.0%	1,161	2.5%	1,191
80 and above	405	6.3%	432	28.2%	602	9.2%	663	4.9%	697
Total Population	11,204	2.9%	11,534	2.3%	11,803	1.9%	12,031	1.5%	12,212
<i>Source: UMass Dartmouth Donahue Institute</i>									

Household Type and Size

Most Nantucket households consist of families, and most families are married couples (Table 2-5). The Town's breakdown of household types is very similar to the state's, with the most significant difference being the relative high proportion of married-couple families in Nantucket.



Table 2-5. Household Type						
	Nantucket			Massachusetts		
Household Type	#	%	% family households	#	%	% family households
Family Households	2,317	62.4%		1,659,300	63.4%	
Married-Couple Family	1,867	50.3%	80.6%	1,231,768	47.1%	74.2%
Other Family	450	12.1%	19.4%	427,532	16.3%	25.8%
Nonfamily Households	1,396	37.6%		958,197	36.6%	
Total Households	3,713	100.0%		2,617,497	100.0%	
<i>Source: American Community Survey 5-Year Estimates (2019)</i>						

Most households in Nantucket are made up of one to two people, as is the case in the rest of the state (see Table 2-6). Sixty-five percent of the Town's households fall into this category, compared to 62 percent of Massachusetts households. The only other significant difference between the two is Nantucket's lower-than-average proportion of three-person households.

Table 2-6: Household Size				
	Nantucket		Massachusetts	
Household Size	#	%	#	%
1-Person Household	1,120	30.2%	745,793	28.5%
2-Person Household	1,307	35.2%	870,717	33.3%
3-Person Household	433	11.7%	432,963	16.5%
4-Person Household	522	14.1%	360,150	13.8%
5-Person Household	248	6.7%	138,974	5.3%
6-Person Household	70	1.9%	45,782	1.7%
7-or-more-Person Household	13	0.4%	23,118	0.9%
Total	3,713	100.0%	2,617,497	100.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

Nantucket has a range of household types across the island, as shown in Tables 2-7 and 2-8 and the supporting maps on the following pages. Family households comprise the majority in every census tract, but nonfamily households and to some extent single-parent families appear to be concentrated in the downtown and Mid-Island areas. Elsewhere, families generally in general and married-couple families make up an even greater majority. By contrast, one- to two-person households are the majority in every census tract except for Tract 9504, which has many four and five-person households. This area alone accounts for roughly half of the island's five-person households. Tract 9501 contains the highest proportion of one-person households. Nowhere are households of six or more common.

Group Quarters

According to the Census Bureau, the term "group quarters" is residence but not a housing unit, i.e., institutions such as college dormitories or nursing homes. Table 2-9 compares the group



quarters population of Nantucket with Massachusetts and nearby areas. Nantucket has fewer group quarters residents than Massachusetts, but a higher rate than either Cape Cod or Martha's Vineyard.⁵

Table 2-9: Group Quarters Population for Selected Geographies

	Nantucket	Martha's Vineyard	Cape Cod	Massachusetts
Group Quarters Population	286	255	2,708	248,635
% total	2.6%	1.5%	1.3%	3.6%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

Race, Ethnicity, and Culture

Nantucket, like most Massachusetts towns, is a majority-White community. Table 2-10 shows that while the Town has a similar proportion of White year-round residents to nearby Martha's Vineyard, both islands are less diverse than the state. Nantucket has comparatively small Latinx and Asian populations, while its Black population is closer to the state average. Despite this, Latino and Black students are overrepresented in the student body of Nantucket Public Schools compared to the total population (see the next section, "Public School Enrollment").

Table 2-10: Population by Race or Ethnicity

	Nantucket		Martha's Vineyard		Massachusetts	
Race/Ethnicity	#	%	#	%	#	%
White Alone	9,513	85.2%	14,811	85.6%	4,903,539	71.6%
Hispanic or Latino of any race*	465	4.2%	630	3.6%	809,179	11.8%
Black/African American	736	6.6%	727	4.2%	473,181	6.9%
American Indian & Alaska Native	32	0.3%	116	0.7%	9,667	0.1%
Asian	71	0.6%	59	0.3%	449,793	6.6%
Native Hawaiian & Other Pacific Islander	7	0.1%	0	0.0%	2,210	0.0%
Other	0	0.0%	303	1.8%	56,363	0.8%
Two or More Races	344	3.1%	666	3.8%	146,621	2.1%
Total	11,168	100.0%	17,312	100.0%	6,850,553	100.0%

* Hispanic/Latino is an ethnic distinction separate from race. Source: ACS 5-Year Estimates (2019).

⁵ Here and throughout this plan, statistics labeled "Martha's Vineyard" and "Cape Cod" use data for Dukes County and Barnstable County, respectively.

Over 88 percent of Nantucket’s year-round residents were born in the United States, a higher rate than Massachusetts as a whole (Table 2-11). Over 70 percent of the U.S.-born residents of Massachusetts were born in Massachusetts, meaning that an overall majority of the state’s residents were born there. The same is not true of Nantucket. A significant percentage of Nantucket’s population was born in the United States but out-of-state, making lifelong Bay Staters a minority on the island. (Table 2-11).

A significant majority of foreign-born residents (over 60 percent) in Nantucket are not U.S. citizens, whereas most foreign-born Massachusetts residents have become citizens.

Table 2-11. Population by Nativity & Citizenship Status				
	Nantucket		Massachusetts	
Place of Birth	#	%	#	%
Born in US	9,871	88.4%	5,701,644	83.2%
Born in MA	5,681	57.6%	4,133,130	72.5%
Born Elsewhere in US	4,190	42.4%	1,568,514	27.5%
Foreign Born	1,297	11.6%	1,148,909	16.8%
U.S. Citizen	492	37.9%	613,050	53.4%
Not a US Citizen	805	62.1%	535,859	46.6%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

The most common region of origin for foreign-born Nantucket residents is Latin America (Table 2-12). Over one-fourth of the island’s foreign-born population is from the Caribbean. Nantucket also has a higher proportion of residents born in Europe, and a much smaller proportion of those born in Asia. Within the Latin America group, Nantucket has more South Americans and fewer Central Americans than the state average.

Table 2-12. Foreign-Born Population by Place of Birth				
	Nantucket		Massachusetts	
Birthplace	#	%	#	%
Europe	509	39.2%	234,412	20.4%
Asia	113	8.7%	350,559	30.5%
Africa	36	2.8%	104,736	9.1%
Oceania	31	2.4%	4,222	0.4%
Latin America	573	44.2%	424,974	37.0%
Caribbean	337	26.0%	188,407	16.4%
Central America	49	3.8%	104,023	9.1%
South America	187	14.4%	132,544	11.5%
Other Americas	35	2.7%	30,006	2.6%
Total	1,297	100.0%	1,148,909	100.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				



Table 2-13 lists the most common countries of birth for foreign-born residents of Nantucket, and it is notable that no single national origin dominates. Jamaica is the most common country of origin but only represents about 13 percent of the Town's total foreign-born population, with a diverse set of countries from Europe, Latin America, and South Asia rounding out the list. It is important to note that few if any undocumented immigrants are likely to be reflected in federal census data, and accurate data on their place of birth is unavailable.

Table 2-13: Most Common Country of Birth for Foreign-Born Nantucket Residents		
Country of Birth	No, Residents	% Foreign-Born Population
Jamaica	170	13.1%
Bulgaria	147	11.3%
Brazil	121	9.3%
Haiti	96	7.4%
United Kingdom	89	6.9%
India	62	4.8%
Dominican Republic	57	4.4%
Belarus	54	4.2%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>		

In accordance with Nantucket's relatively large Latin American population, the most common non-English language spoken at home is Spanish (Table 2-14). However, compared to the entire state, the proportion of Spanish-speakers and non-English speakers in general is low. The only language group with a higher representation on Nantucket than the state is Slavic languages, likely due to the presence of Bulgarian speakers. The only other significant language group present on the island is "Other Indo-European," which based on the experience of community members is likely made up primarily of Portuguese speakers.

Table 2-14: Population Five Years or Older by Language Spoken at Home				
	Nantucket		Massachusetts	
Language Spoken at Home	#	%	#	%
Only English	9,238	88.3%	4,942,231	76.2%
Spanish	461	4.4%	592,436	9.1%
French, Haitian, or Cajun	74	0.7%	139,674	2.2%
German or Other West Germanic	10	0.1%	19,757	0.3%
Russian, Polish, or Other Slavic	177	1.7%	70,450	1.1%
Other Indo-European	310	3.0%	354,655	5.5%
Korean	16	0.2%	16,774	0.3%
Chinese (all varieties)	18	0.2%	135,121	2.1%
Vietnamese	15	0.1%	43,102	0.7%
Tagalog/Filipino	0	0.0%	9,072	0.1%
Other Asian/Pacific Island	46	0.4%	75,633	1.2%

Table 2-14: Population Five Years or Older by Language Spoken at Home				
	Nantucket		Massachusetts	
Language Spoken at Home	#	%	#	%
Arabic	15	0.1%	33,534	0.5%
Other	84	0.8%	57,098	0.9%
Total Population 5 or older	10,464	100%	6,489,537	100.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

The American Community Survey asks respondents who speak a language other than English at home to estimate their English skills. Table 2-15 reports the level of English proficiency for Nantucket residents who do not already speak English as their first language. One immediate takeaway is that most of this population speaks English “very well.” The same holds true for speakers of each individual language group besides “Other Asian/Pacific Islander,” which is split fifty-fifty. Of Nantucket’s larger language groups, “Other Indo-European” (which as stated above, probably consists of mostly Portuguese speakers) stands out as having a higher proportion of speakers that do not speak English well.

Table 2-15: English Language Proficiency for Population Not Speaking English at Home					
	Population 5+ Not Speaking English at Home	Speak English "Very Well"		Speak English Less Than "Very Well"	
All Languages	1,226	919	75.0%	307	25.0%
Spanish	461	370	80.3%	91	19.7%
French, Haitian, or Cajun	74	54	73.0%	20	27.0%
German or Other West Germanic	10	10	100.0%	0	0.0%
Russian, Polish, or Other Slavic	177	131	74.0%	46	26.0%
Other Indo-European	310	201	64.8%	109	35.2%
Korean	16	16	100.0%	0	0.0%
Chinese (all varieties)	18	0	0.0%	18	100.0%
Vietnamese	15	15	100.0%	0	0.0%
Other Asian/Pacific Island	46	23	50.0%	23	50.0%
Arabic	15	15	100.0%	0	0.0%
Other	84	84	100.0%	0	0.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>					

Table 2-16 and Map 2-X (next page) examine race by census tract, showing that while every area of Nantucket has a large white majority, minority populations are concentrated in certain areas. Census Tracts 9502 and 9504, covering the south-central portion of the island, contain high concentrations of Black, Latinx, and those identifying with two or more races, more than the town overall. The other three tracts are over 90 percent White, with the western portion of Town (Census Tract 9503.07) estimated to contain almost exclusively White residents.



Any discussion of immigration and national origin must acknowledge the significant presence of undocumented immigrants on Nantucket, most of whom are unlikely to be included in official statistics. While concrete demographic information on this group is unavailable, residents report that a significant number of undocumented immigrants come to Nantucket to work in seasonal industries and may be more likely to end up in substandard or overcrowded housing.

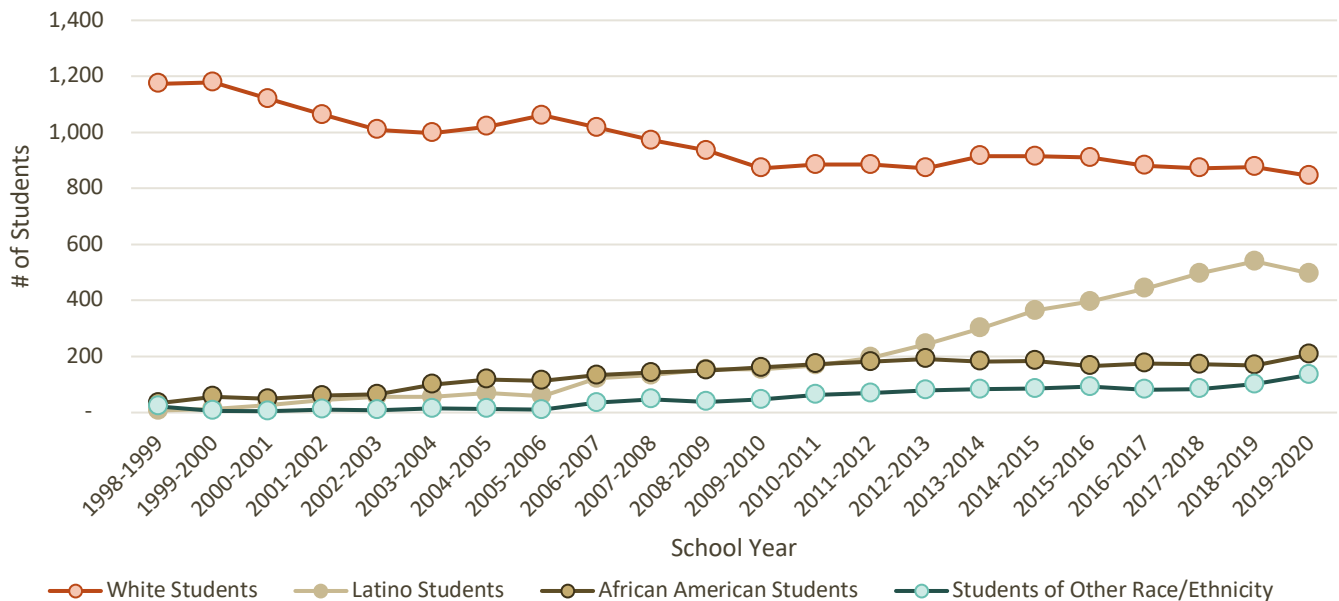
Public School Enrollment

Figure 2-3 displays Nantucket Public Schools (NPS) student enrollment data to compare the school system's population growth with the racial and ethnic makeup of the student body from 1998 to 2019. The overall number of students in NPS has tended to increase over time, with a net increase of over four hundred students since 1998 and steady year-to-year growth since 2009. However, there has been a concurrent steady decrease in the proportion of White students. The most significant growth has occurred in NPS's Latino population, growing from less than 1 percent of the student body in 1998 to nearly a third of all students in 2018. The proportion of Black and "Other" students has also grown, albeit more slowly, the result being that White students made up barely half of the population in the most recent available school year. In June 2021, during the drafting of this plan, NPS confirmed that its student body was now "majority-minority," meaning that a majority of students were non-white.⁶ This may reflect the placement of many White children in Nantucket's two private schools or other off-island schools by families who can afford to choose a private school education.

In June 2021... Nantucket Public Schools confirmed that its student body was now "majority-minority."

Figure 2-3: Nantucket Public Schools Student by Race/Ethnicity

(Source: Nantucket Public Schools)



⁶ Graziadei, Jason. "Learning Curve." *Nantucket Current*, June 29, 2021.

Education, Work and Earnings

The population of Nantucket is more educated than that of Massachusetts in general, with a much lower proportion of adults who have not completed a high school education and a higher proportion of people with bachelor's and master's degrees (Table 2-17). The Town does have fewer doctorate degree holders than the statewide average, however.

Table 2-17. Highest Educational Attainment for Pop. 25 Years and Over in Nantucket				
	Nantucket		Massachusetts	
Educational Attainment	#	%	#	%
Less Than High School	358	4.4%	441,944	9.2%
High School or Equivalent	1,625	19.8%	1,148,525	24.0%
Some College or Associate Degree	1,881	23.0%	1,102,149	23.0%
Bachelor's Degree	2,563	31.3%	1,151,870	24.1%
Master's Degree	1,388	16.9%	656,508	13.7%
Professional Degree	268	3.3%	145,317	3.0%
Doctorate	109	1.3%	135,370	2.8%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

The top industries that employ Nantucket residents are Educational/Health Care/Social Services, Professional/Scientific/Waste Management, Construction, and Retail, as shown in Table 2-18. Compared with state, the construction industry is highly overrepresented in Nantucket and Educational Services, underrepresented. The prevalence of construction jobs in Nantucket may be an indication of the significant demand for housing and home improvements on the island. Unemployment on Nantucket is only 2.9 percent, compared with 4.9 percent statewide.

Table 2-18. Employment by Industry				
	Nantucket		Massachusetts	
Industry	#	%	#	%
Agriculture, Forestry, Fishing and Hunting, And Mining	100	1.6%	14,795	0.4%
Construction	1,011	15.8%	205,718	5.7%
Manufacturing	168	2.6%	317,827	8.8%
Wholesale Trade	168	2.6%	78,806	2.2%
Retail Trade	812	12.7%	370,824	10.3%
Transportation and Warehousing, And Utilities	165	2.6%	140,484	3.9%
Information	39	0.6%	82,102	2.3%
Finance And Insurance, And Real Estate, And Rental And Leasing	468	7.3%	265,085	7.3%
Professional, Scientific, and Management, and Administrative, and Waste Management Services	1,030	16.0%	506,967	14.0%
Educational Services, and Health Care and Social Assistance	1,162	18.1%	1,018,564	28.2%



Table 2-18. Employment by Industry

Industry	Nantucket		Massachusetts	
	#	%	#	%
Arts, Entertainment, and Recreation, and Accommodation and Food Services	659	10.3%	312,504	8.7%
Other Services, Except Public Administration	327	5.1%	161,589	4.5%
Public Administration	309	4.8%	137,110	3.8%
Total Workforce	6,418	100.0%	3,612,375	100.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

Disability

The incidence of disability on Nantucket is similar to that of Massachusetts, i.e., between 11 and 12 percent. Table 2-19 also shows that when only the senior population is considered, disabilities are actually less common for Nantucket residents than the general population.

Table 2-19. Disability Status

	Nantucket		Massachusetts	
	Residents reporting at least 1 disability	% of total pop. group	Residents reporting at least 1 disability	% of total pop. group
Total Pop.	1,242	11.20%	784,593	11.60%
65+ Pop.	425	26.50%	340,368	31.80%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

Nantucket has limited facilities and services for people with disabilities. For example, there are five SHI units under Department of Mental Health (DMH) management, and Landmark House offers affordable rental units to younger tenants with disabilities alongside its senior residents. Community members working in social services say the island's existing capacity for housing residents with disabilities is inadequate. They report that existing mental health-oriented housing is too often full, and on-island substance abuse programs are very limited.

Household Wealth

Nantucket is a wealthy community even without accounting for the households that own second or third homes there. The median household income (MHI) exceeds \$100,000, higher than that of the state or any nearby county (see Table 2-20). In fact, Nantucket County households have among the highest incomes of any county in the United States; only thirty-six of the over 3,000 other counties and county equivalents nationwide have a median household income over \$100,000, including Middlesex County in Massachusetts.⁷

⁷ ACS 2019 Estimates



Table 2-20. Comparative Median Household Income	
Nantucket	\$107,717
Massachusetts	\$81,215
Barnstable County	\$74,336
Martha's Vineyard	\$71,811
<i>Source: American Community Survey 5-Year Estimates (2019)</i>	

Only thirty-six other counties and county equivalents [besides Nantucket] nationwide have an MHI over \$100,000.

Table 2-21 shows that median household income in Nantucket has steadily risen over the past decade, with only few small dips. A particularly large increase occurred in 2018, as was the case in the Boston Metro Area.

Table 2-21: Change in Median Household Income Since 2010		
Year	MHI	% change from previous year
2019	107,717	2.4%
2018	105,171	14.4%
2017	91,942	2.8%
2016	89,428	6.4%
2015	84,057	-2.9%
2014	86,529	1.2%
2013	85,478	2.3%
2012	83,546	-1.7%
2011	84,979	2.0%
2010	83,347	4.2%
<i>* Not adjusted for inflation. Source: ACS 5-Year Estimates (2009-2019)</i>		

Table 2-22 shows the disparity in income between year-round homeowners and year-round renters on Nantucket. Renters have a median household income lower than the overall state median (the median for all households regardless of tenure), yet renter incomes on Nantucket still trend significantly higher than the state or nearby Martha's Vineyard.

Table 2-22: Median Household Income by Tenure			
	Nantucket	Martha's Vineyard	Massachusetts
Owner	\$118,380	\$89,013	\$107,223
Renter	\$74,125	\$43,750	\$45,195
Overall	\$107,717	\$71,811	\$81,215
<i>Source: American Community Survey 5-Year Estimates (2019)</i>			



Median household income varies considerably from one part of the island to another. Map 2-5 shows MHI by Census Block Group⁸, with the highest MHIs located toward the center of the island. The lowest median household income is to the west in the Block Group containing Madaket.

Poverty and Homelessness

Nantucket's reported household poverty rates are slightly less than half those of the Commonwealth as a whole, with only seventy-eight households estimated to be living below the poverty line.

Table 2-23. Household Poverty Status (Last 12 Months)

	Nantucket		Massachusetts	
	#	%	#	%
Below Poverty Level	78	3.4%	115,654	7.0%
At or Above Poverty Level	2,239	96.6%	1,543,646	93.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>				

Homelessness statistics are hard to come by for Nantucket. Unsheltered individuals are difficult to count by the very nature of the problems they face, and they are often invisible to official data sources. The Cape and Islands Regional Network on Homelessness conducts an annual "Point in Time Count," which counts individuals in shelters and those living unsheltered in Cape Cod, Martha's Vineyard, and Nantucket. The latest available data from January 28, 2020 shows that volunteers were able to find two people living without shelter in Nantucket.⁹ The count does not break down sheltered individuals by type, but Nantucket does not have a shelter, so it can be assumed that the local number of sheltered individuals is zero. This count does not capture individuals or families in precarious living situations who have entered into temporary informal living arrangements.

Anecdotally, social service workers on the island report that homelessness is indeed an ongoing issue in the community. However, Nantucket currently lacks any kind of overnight shelter facility, highlighting the need to provide better services for residents who lack housing.

HOUSING PROFILE

Key Findings

Housing is Nantucket's most intractable social, economic, and political challenge.

- **Limited housing diversity.** The housing stock is overwhelmingly comprised of single-family detached dwellings, indicating that Nantucket lacks housing diversity in terms of size and tenure. While many of the detached dwellings on Nantucket are a product of the Town's

⁸ A Census Block Group is a geographical unit of measurement used by the Census Bureau that is smaller than a Census Tract, drawn to contain between 600 to 3,000 people.

⁹ Barnstable County Department of Human Services, 2020 Annual Point in Time Homeless Count



secondary (or perhaps tertiary) unit zoning, there is very little housing developed and managed as permanent, year-round units.

- **Geographic concentration.** The housing options beyond single-family detached dwellings (rental units, multifamily developments, etc.) are concentrated in the center of the island. This is largely due to the availability of public water and sewer service, so higher-density development in this part of town makes sense. Still, the absence of affordable housing in other neighborhoods in Nantucket is and will continue to be a housing equity challenge for Nantucket's housing and planning leaders.
- **Rental housing cost burden.** A majority of renter households have high housing cost burdens, meaning that they pay more than 30 percent of their total income in housing costs. Cost burden is common among homeowners, too.
- **New housing stock.** Much of Nantucket's housing stock has been constructed since 1980, and new units continue to be produced at a steady rate.
- **Relentless demand for vacation/resort housing.** Nantucket has high vacancy rates and a large number of seasonal units, a condition typical of vacation/resort areas. While not a new phenomenon, it appears that growth in demand for seasonal and vacation housing on Nantucket has outpaced the production of new supply, meaning that new construction is often oriented towards the seasonal market and some homes once occupied by year-round residents have been absorbed by the resort market.
- **Overcrowded housing.** Community leaders and others report significant overcrowding issues across the island.

Housing Supply

While Nantucket is unique in many ways, the physical characteristics of its housing supply are typical for a small Massachusetts town. Table 2-25 shows that the overwhelming majority of housing units on Nantucket are detached single-family structures, followed by two-unit structures.

Table 2-24. Nantucket Housing by Number of Units in Structure		
# Units in Structure	Units	%
1; detached	10,831	87.7%
1; attached	362	2.9%
2	661	5.4%
3-4	233	1.9%
5-9	137	1.1%
10 or more	49	0.4%
Mobile home	63	0.5%
Boat, RV, van, etc.	9	0.1%
Total	12,345	100%
Source: American Community Survey 5-Year Estimates (2019)		

"Decent housing for normal folks is hard to come by. Forget owning a home."
-Community Survey Response



Table 2-26 categorizes housing units by number of bedrooms. About 70 percent of the housing units on Nantucket have three or more bedrooms, which is not surprising given the single-family makeup of the housing inventory and the island's relatively well-off households. There is a very limited supply of no-bedroom dwellings (such as studio apartments).

Table 2-25. Units by Number of Bedrooms		
# Bedrooms	Units	%
No bedroom	391	3.2%
1 bedroom	1,262	10.2%
2 bedrooms	2,529	20.5%
3 bedrooms	3,478	28.2%
4 bedrooms	2,902	23.5%
5 or more bedrooms	1,783	14.4%
Total units	12,345	100.0%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>		

The best way to track growth in a community's housing inventory is through the roster of building permits issued by inspectional services staff. Tables 2-27 and 2-28 show the number of net new residential structures per year, i.e., minus demolition permits. This net growth has fluctuated since 2013, but overall, there is clearly an upward trend in building construction. It is little wonder that the construction trades play so prominently in Nantucket's employment base.

Table 2-26. Nantucket Building and Demolition Permits			
Year	New Building Permits	Demolition Permits	Net New Residential Structures Permitted
2013	111	19	92
2014	150	26	124
2015	143	40	103
2016	200	40	160
2017	186	21	165
2018	171	39	132
2019	202	29	173
2020	180	28	152
<i>Source: Town of Nantucket</i>			

Table 2-28 reveals that the new dwellings permitted in Nantucket since 2013 have been almost exclusively single-family homes, with only 21 out of the over 1,300 new structures containing more than two units. Duplexes were more common, but even in the year with the most diverse building permit types (2019), over 70 percent were for single-family dwellings.

Table 2-27. Characteristics of Nantucket Building Permits 2013-2020						
Year	Single Family	Accessory Units	Duplex	Multifamily	Total New Building Permits	% Single Family
2013	107	0	2	0	111	96.4%
2014	140	0	5	0	150	93.3%
2015	140	3	0	0	143	97.9%
2016	150	0	9	7	200	75.0%
2017	170	0	8	0	186	91.4%
2018	159	0	6	0	171	93.0%
2019	142	4	0	10	202	70.3%
2020	162	0	2	4	180	90.0%
<i>Source: Town of Nantucket</i>						

Age of Housing

Nantucket is famous for its historic architecture, yet most of its current housing stock has been built since 1980. The island's long history is reflected in the relatively large proportion of housing (about 15 percent) built before 1940, but the biggest decades for residential construction were the 1980s and 1990s – not surprisingly, in the same period that the Nantucket Land Bank was established (1983) to protect Nantucket's land and water resources from the potential for overdevelopment. This growth has occurred concurrently with the Town's year-round population growth and increasing popularity as a seasonal destination. Comparing Nantucket's historic housing production to Cape Cod and Massachusetts highlights how significant the former's recent housing boom has been. About 40 percent of the Cape's residential units and only 29 percent of the Commonwealth's were built post-1980. Nantucket has outperformed both in total housing growth, and Table 2-29 does not really capture the volume of new construction that has occurred. (It is, like so many intercensal data sets from the Census Bureau, an estimate based on sampling.)

A majority of [Nantucket's] current housing stock has been built since 1980.

Table 2-28. Residential Units by Year Structure Built*						
	Nantucket		Cape Cod		Massachusetts	
	#	%	#	%	#	%
2010 or later	355	2.9%	3,537	2.2%	94,630	3.3%
2000-2009	2,193	17.8%	12,508	7.6%	205,435	7.1%
1990-1999	2,402	19.5%	16,350	10.0%	221,821	7.7%
1980-1989	2,553	20.7%	33,433	20.4%	312,792	10.8%
1970-1979	1,410	11.4%	32,421	19.8%	337,482	11.6%
1960-1969	712	5.8%	21,348	13.1%	295,760	10.2%
1950-1959	572	4.6%	18,078	11.1%	328,360	11.3%
1940-1949	352	2.9%	5,655	3.5%	158,630	5.5%
1939 or earlier	1,796	14.5%	20,227	12.4%	942,349	32.5%



Table 2-28. Residential Units by Year Structure Built*

	Nantucket		Cape Cod		Massachusetts	
	#	%	#	%	#	%
Total	12,345	100.0%	163,557	100.0%	2,897,259	100.0%

**Includes occupied and vacant units*
Source: American Community Survey 5-Year Estimates (2019)

Occupancy and Tenure

The resort communities of the Cape and Islands region have vacancy rates wildly out of line with the rest of the state, as shown in Table 2-30. The majority of housing units on Nantucket and Martha's Vineyard are seasonally vacant, compared to less than 10 percent of Massachusetts units. This difference can be almost entirely explained by the vacation or second-home market, as the Census Bureau considers units that sit unoccupied for half of the year to be vacant. With these assumptions in mind, it is fair to estimate that roughly 70 percent of the potential housing supply on Nantucket has been absorbed by the seasonal market.

Table 2-29. Housing Units by Vacancy Status

	Nantucket		Martha's Vineyard		Massachusetts	
	#	%	#	%	#	%
Occupied	3,713	30.1%	6,765	37.8%	2,617,497	90.3%
Vacant	8,632	69.9%	11,137	62.2%	279,762	9.7%
Total	12,345	100.0%	17,902	100.0%	2,897,259	100.0%

Source: American Community Survey 5-Year Estimates (2019)

Most of the occupied year-round housing units in Nantucket are occupied by their owners, leaving renters underrepresented when compared to statewide data. White households on Nantucket are also far more likely to own than rent the homes they occupy.

Table 2-30. Year-Round Households by Tenure

	Nantucket		Massachusetts	
	#	%	#	%
Owner Occupied	2,619	70.5%	1,632,765	62.4%
Renter Occupied	1,094	29.5%	984,732	37.6%
Total Occupied Units	3,713	100.0%	2,617,497	100.0%

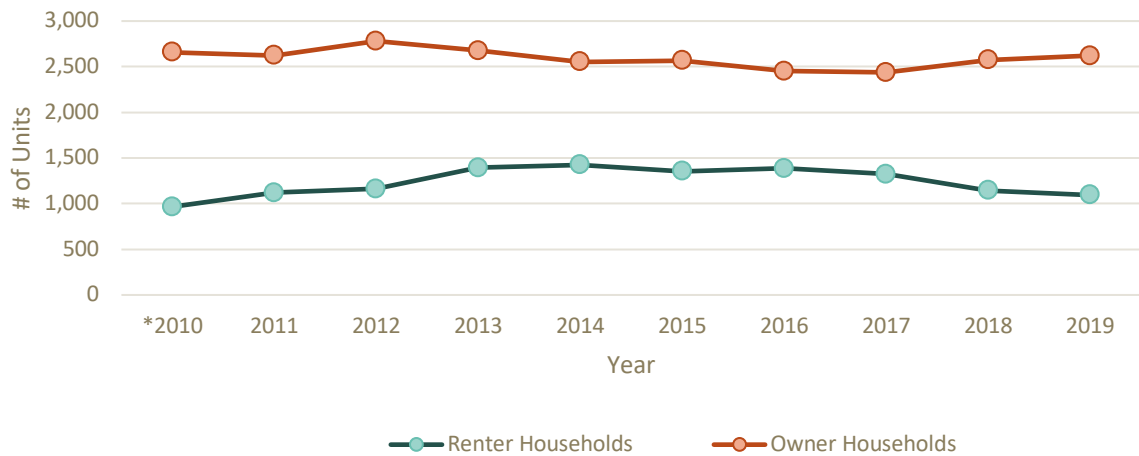
Source: American Community Survey 5-Year Estimates (2019)

"The proportion of huge houses on acres of land that sit empty for most of the year is ridiculous, when there is such high demand for year-round residents."
-Community Survey Response

Figure 2-4 shows how Nantucket's tenure statistics have changed since the 2010 Census. Despite ups and downs in the number of both owners and renters over the years, a few key trends emerge. Homeowners have continuously outnumbered renters by a significant margin, and both groups have decreased in size since the beginning of the last decade. Since around 2017, it appears that the number of owners and renters is diverging, with a slight uptick in the number of owner households and a decrease in renters.

Figure 2-4. Nantucket Households by Tenure 2010-2019

(Source: ACS 2019; *2010 Census)



Occupancy and tenure vary quite a bit at the census tract level. As shown on the next page, all but Tract 9502 have mostly vacant housing stock, with vacancy rates in multiple tracts exceeding 80 percent. Even Tract 9502, which contains much of the Mid-Island area, has a vacancy rate many times higher than the state average. Homeowners dominate the year-round supply in every Nantucket census tract, though significant differences exist. Tract 9503.07 has only eighteen renter households, whereas Tract 9502 contains more than half of all renters on the island.

Geographic Mobility

Geographic mobility measures how frequently households move to new housing units. It can indicate relative stability or instability in a town's housing market. The American Community Survey asks respondents where they live relative to one year ago: in the same house, in a different house in the same area, etc. Table 2-34 shows, as might be expected, that Nantucket renters are more likely to move around than homeowners. What Table 2-34 does not capture well is the effect of the "Nantucket Shuffle," when renters have to vacate units for the summer. They may have the opportunity to rent the same unit again in the fall, but for three months out of the year, they "shuffle" from place to place because the island does not have enough year-round rental housing.

Table 2-33. Geographic Mobility in the Past Year

	Renter		Owner	
Same House 1 Year Ago	2,702	79.7%	7,018	95.8%
Residence 1 Year Ago:				
Within Same County	390	11.5%	92	1.3%
Different County, Same State	175	5.2%	124	1.7%
Different State	72	2.1%	80	1.1%
Abroad	52	1.5%	14	0.2%
Source: American Community Survey 5-Year Estimates (2019)				



Housing Sales Price and Market Rents

The median sale price for a Nantucket home of any type has remained above one million dollars since 2005, excepting a one-year dip in 2013. Focusing on single-family home sales only, this has been the case without any anomalous years since 2004, even though the housing market stumbled in 2008. Despite the expected drop at that time, there is a clear overall upward trajectory of home prices in Nantucket, as illustrated in Table 2-35. It is notable that 2020 saw a record number of real estate transactions (almost 200 more than the previous year) and an all-time high median sales price both for single-family dwellings and condominiums despite the COVID-19 pandemic.

Table 2-34. Housing Sales Trends in Nantucket

Year	1-Family	% change	Total Sales	Condo	% change	Total Sales
2020	\$2,012,500	34.2%	218	\$824,410	4.4%	23
2019	\$1,500,000	0.7%	146	\$790,000	9.1%	30
2018	\$1,490,000	8.2%	172	\$724,000	11.4%	23
2017	\$1,377,500	8.0%	165	\$650,000	22.1%	29
2016	\$1,276,000	1.3%	199	\$532,500	-0.8%	42
2015	\$1,260,000	2.9%	186	\$537,000	-13.1%	32
2014	\$1,225,000	15.0%	195	\$618,000	59.2%	13
2013	\$1,065,000	-4.9%	161	\$388,250	-44.5%	8
2012	\$1,120,000	-4.5%	183	\$700,000	133.3%	15
2011	\$1,172,500	2.7%	147	\$300,000	-24.1%	7
2010	\$1,142,000	-6.0%	164	\$395,000	-16.8%	23

Source: Banker & Tradesman.

According to a 2020 real estate market analysis by local agency Fisher Real Estate, rising sales prices and property values are being driven by increasing construction costs, anywhere from \$450 per square foot for a modular home to \$700 per square foot for traditional construction. In addition to universal cost factors such as availability of materials and pandemic-related delays, the report cites the unique logistical challenges of travel and housing for contractors working on Nantucket as a reason for high construction costs.

The estimated monthly rent paid by year-round renter households are reported in Table 2-36. A majority of these households pay less than \$2,000 per month in rent, although many pay more than \$3,000. These are self-reported monthly costs, not asking rents, and they do not indicate what a household gets for the cost. For example, some households paying \$1,000 per

Table 2-35: Nantucket Renter Households by Gross Monthly Rent

Gross Rent	Households	%
\$899 or less	54	4.9%
\$900-999	85	7.8%
\$1,000-1,449	116	10.6%
\$1,500-1,999	392	35.8%
\$2,000-2,499	106	9.7%
\$2,500-2,999	104	9.5%
\$3,000-3,499	12	1.1%
\$3,500 or more	65	5.9%
No cash rent	150	13.7%
Total	1,094	100.0%

Source: American Community Survey 5-Year Estimates (2019)

month in rent may be renting a single room or a full unit. Public data on Nantucket’s year-round rental market is hard to find, partially due to the market’s low volume and due to the informal nature of many rental arrangements. Nantucket residents report that a single room might involve a monthly rent of \$1,000-\$1,500 or as high as \$2,000 for a one-bedroom apartment. While anecdotal, these figures seem realistic in the context of the significant rent burdens faced by Nantucket households.

A revealing statistic for understanding affordability is presented in Table 2-37: gross rent as a percentage of a year-round household’s total income. According to U.S. Department of Housing and Urban Development (HUD) guidelines, **housing cost burden** exists when a low-income household pays more than 30 percent of its total income in housing expenses (either rent or homeownership-related expenses such as mortgage payments). In 2019, the Census Bureau estimated that

over half of all Nantucket renters regardless of income paid large shares of their monthly income for rent. Some of these households may be higher-income households that can more easily absorb the impact of high housing costs, but Table 2-37 demonstrates that rents in general are very high on the island. It is also important to remember that a single household can include multiple unrelated people living together and sharing housing costs. And, households paying over half their income for rent each month are most likely struggling to stay in this community.

“Over half my full-time salary now goes to rent. If [my rent] were raised I’d have to leave the island and my job.”

-Community Survey Response

Table 2-36: Nantucket Year-Round Renter Households by Gross Rent as a Percentage of Household Income

Gross Rent as % of Household Income	Households	%
29.9% or less	448	47.5%
30-34.5%	96	10.2%
35-39.9%	117	12.4%
40-49.9%	89	9.4%
50% or more	194	20.6%
Households (for which data was computed)	944	100.0%

Note: Red shaded cells represent households considered rent burdened according to HUD standards. Source: American Community Survey 5-Year Estimates (2019)

HUD obtains a special report from the Census Bureau every few years to focus on what housing costs actually look like in relation to income. Table 2-38 reports HUD’s analysis and provides a better understanding of how high housing costs affect different income groups unequally. The table shows data for Nantucket households as a whole (including both owners and renters) as well as just renters, and in both groups a significant majority of households making below 50 percent of area median income (AMI) pay more than 30 percent of their income for housing costs. A majority of renters between 50 and 80 percent AMI are burdened as well. While cost burden drops off significantly for renters above 80 percent AMI, over 40 percent of all households in the “moderate income” group (80 to 100 percent AMI) still experience housing cost burdens. This is



an example of where Nantucket differs dramatically from other high-cost regions of the Commonwealth.

Table 2-37: Housing Cost Burden Cost Burden Above 30% by Tenure and Income Range		
Homeowner Households in Income level	Burdened Homeowners	% Burdened Households in Income Group
Household Income <= 30% AMI*	275	76.4%
Household Income >30% to <=50% AMI	325	76.5%
Household Income >50% to <=80% AMI	160	45.7%
Household Income >80% to <=100% AMI	200	46.5%
Household Income >100% AMI	440	20.1%
Total	1,400	37.2%
Renters Only		
Renter Households by Income Level	Burdened Renters	% Burdened Households in Income Group
Household Income <= 30% AMI*	105	63.6%
Household Income >30% to <=50% AMI	180	83.7%
Household Income >50% to <=80% AMI	94	53.7%
Household Income >80% to <=100% AMI	50	22.7%
Household Income >100% AMI	65	11.9%
Total	494	37.3%
<i>Source: HUD Comprehensive Housing Affordability Strategy Data</i>		
<i>*HUD Area Median Income</i>		

Table 2-39 provides compares the median percentage of total income that households pay in monthly rent across several geographies. Median gross rent as a percent of household income is a traditional measure of what households are accustomed to paying for housing in a given market area. The median gross rent as a percentage of income statewide places renter households just below the threshold of housing cost burden – itself a high figure compared with national standards – but it is even higher in all three counties that make up the Cape and Islands region. Median gross rent exceeds 30 percent of renter household income in three of Nantucket’s five census tracts. One tract lacks enough renter households to report data.

Table 2-38: Median Gross Rent as % of Household Income	
Massachusetts	29.80%
Nantucket (Town)	32.80%
Tract 9501.00	30.80%
Tract 9502.00	32.10%
Tract 9503.07	N/A
Tract 9504.00	26.70%
Tract 9505.00	32.50%
Martha's Vineyard	35.50%
Cape Cod	32.70%
<i>Source: American Community Survey 5-Year Estimates (2019)</i>	

When it comes to purchasing a home, the Nantucket Data Platform estimates in a 2019 housing market analysis that even at 200 percent of AMI, only 35 percent of Nantucket residents could afford a mortgage with a 20 percent down payment.¹⁰ Mortgage loan products like Massachusetts Housing Partnership’s ONE Mortgage program help to reduce down payment requirements and can make a difference in high-cost markets, but those

¹⁰ Nantucket Data Platform, October 2019.



programs do not have unlimited resources – and sometimes, the income limits are too low for homebuyers to qualify even though those limits are adjusted by region.

One way to think about the housing gap on Nantucket is to look at the number of renter households paying affordable rents that by HUD standards have high enough incomes to afford rents at a more expensive level. For example, a household earning an annual income at 80 percent AMI paying rents that are considered affordable to a household at 50 percent AMI means there are fewer units available to 50 percent AMI households. A prevalence of this type of situation could indicate that lower income households are being priced out, and it indicates a condition known as **affordability mismatch**. Census data show that in Nantucket, households with incomes over 50 percent AMI but paying rents affordable to people with lower incomes are concentrated in the Downtown, Surfside, and Mid-Island neighborhoods. By contrast, households with incomes over 30 percent AMI paying rents affordable to extremely low-income households can be found in every census tract, including over one third of all renters in Madaket. Official sources are likely missing data from most informal rental arrangements, and it is not at all clear from federal estimates how many affordability mismatch households in Nantucket are households comprised of nonrelatives and subfamilies, i.e., a separate family household related to the unit's primary householder.

Overcrowding

The issue of overcrowding (i.e., more individuals living in a unit than it was built to accommodate) is a widely recognized problem on Nantucket by those who live and work in the community but is not reflected in official data sources. Many of Nantucket's experienced social service workers report that they regularly see clients who rent individual rooms in a single housing unit alongside several other unrelated households. Cases were described where landlords have curtained off up to a dozen individual beds in a single large room. While this is an extreme case, respondents report

overcrowding conditions for renters – and this is not a new problem for Nantucket. The Town's last HPP recorded the same challenge, as did an earlier housing needs study for Housing Nantucket and years before that, a housing study by consultant John Ryan.¹¹ In addition, the Nantucket Data Platform estimates that 7 percent of Nantucket housing units are overcrowded, although they acknowledge that this figure may be low as it may not have captured many seasonal workers who live in crowded conditions for only half the year. They further estimate that 17 percent of households are shared by unrelated people, and that cost-burdened households are more likely to be overcrowded.¹²

"It is very difficult... I am a single mother, I have two children with me... I pay 2000 bucks for rent- I'd like to pay less than that- and that's only for a room."

-Community Survey Response, translated from Spanish

¹¹ Housing Nantucket, Workforce Housing Needs Assessment, 2015.

¹² Nantucket Data Platform, October 2019.



Severe Housing Problems

HUD publishes data that incorporates housing cost burdens with other housing problems to provide a more complete picture of a community's housing challenges. This information is reported for renters and owners alike and reveals that nearly half of all renter households in Nantucket experience at least one of HUD's housing problems. The four housing problems are:

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- More than one person per room
- A housing cost burden greater than 30 percent

HUD's estimates are slightly older than other data shown in this plan, indicating that cost burdens may have worsened over the past few years. Although homeowners experience these problems at a lower rate than renters, over one third still experience at least one housing problem (and usually, that problem is high housing costs). Due to the prevalence of homeowner households in Nantucket, homeowners make up the majority of those with housing problems. Table 2-40 also addresses what HUD calls "severe housing problems," which includes conditions such as severe cost burdens (housing costs exceeding 50 percent of income) or very high numbers of occupants per room in a dwelling. Almost a quarter of all renter households in Nantucket experience a severe housing problem: nearly 20 percent of households overall. The picture that can be gleaned from federal estimates is not inconsistent with estimates prepared by the Nantucket Data Platform, which estimates that over a quarter of Nantucket housing units have at least one substandard attribute, including issues such as a blocked entrance, non-bedroom spaces used as bedrooms, or improper waste storage/disposal.

Table 2-39: HUD Estimates of Housing Problems by Tenure

	Owner		Renter		All Households	
	#	%	#	%	#	%
At least 1 housing problem	935	38.3%	625	47.2%	1,560	41.5%
No housing problems	1,505	61.7%	695	52.5%	2,200	58.5%
Total	2,440	100.0%	1,325	100.0%	3,760	100.0%
At least 1 severe housing problem	420	17.2%	330	24.9%	750	19.9%
No housing problems	2,015	82.6%	990	74.7%	3,005	79.9%
Total	2,440	100.0%	1,325	100.0%	3,760	100.0%
<i>Source: HUD Comprehensive Housing Affordability Strategy Data</i>						

Short-Term Rentals

While this HPP was underway, Nantucket was embroiled in controversy about whether to regulate and restrict short-term rental activity, also known as AirBnB. Although people disagree about the impact of short-term rentals on housing affordability, there seems to be a general

awareness that short-term rentals or vacation rentals address a significant need for accommodations in Nantucket, one of the most prestigious visitor destinations in the U.S. Since Nantucket does not have many hotels, the short-term rental industry has helped to meet demand, often at a much lower price per night than the hotels and inns found around the downtown area. Services like AirBnB and HomeAway facilitate the overnight stays that Nantucket businesses rely on during the summer. For this reason, a coalition of local businesses organized to push back against short-term rental restrictions proposed by an advocacy group, ACK Now, earlier this year.

ACK Now and others say that increasing numbers of year-round housing units are being converted to short-term rentals for seasonal use and left vacant during the off-season, effectively removing units from the year-round supply. During interviews for this HPP, some Nantucket residents reported that units in the recently built Beach Plum Village development were immediately turned into short-term rentals. They also said off-island investors have acquired units for short-term rentals with no regard for the potential impact on year-round Nantucket residents. However, not everyone agrees, with some saying short-term rentals are an economic necessity. In the end, opponents of restricting short-term rentals won their case by a wide margin (625-297) at Town Meeting this year.

The impact of short-term rentals on housing affordability has been debated in many communities; Nantucket is no exception. Prohibitions against short-term rental occupancy have enabled some towns to pass accessory dwelling unit bylaws that were otherwise destined to fail. In Nantucket, as in other communities, opponents of the short-term rental industry say it removes units from the housing market and essentially makes them function as hotel suites, thereby shrinking the supply of housing in a market that is already unable to meet demand. Supporters say access to short-term rentals is essential for the economy of seasonal resort towns like Nantucket. They also say that in many cases, making rooms available for overnight or short-term stays provides a critical source of income that helps struggling homeowners afford to keep their home. Ultimately, settling this debate will require more concrete information and studies of the issue on the island. Unofficial estimates place the AirBnB inventory on Nantucket at about 2,000 units.¹³

¹³ Boston Globe, June 5, 2021.



Chapter 40B

Under a 1969 Massachusetts law known as Chapter 40B, all communities are supposed to have housing that is affordable to low-income households and remains affordable to them even when home values appreciate under robust market conditions. Another type of affordable housing - generally older, moderately priced dwellings without deed restrictions, and which lack the features and amenities of new, high-end homes - can help to meet housing needs, too, but only if the market allows. There are other differences, too. For example, any household - regardless of income - may purchase or rent an unrestricted affordable unit, but only a low- or moderate-income household qualifies to purchase or rent a deed restricted unit. Both types of affordable housing meet a variety of housing needs, and both matter. The difference is that the market determines the price of unrestricted affordable units while a legally enforceable deed restriction determines the price of restricted units. Today, Nantucket has very few affordable units, unrestricted or deed restricted. Furthermore, unrestricted units that may have offered a pathway to owning a home in the distant past have been the target of teardowns, expensive rebuilds, and absorption by the vacation housing market.

Nantucket has no “region” with which to share the challenge of meeting low- or moderate-income housing needs. It is an island thirty miles from shore. For the most part, its labor force depends on locally available housing. This distinguishes Nantucket from every other town and county in Massachusetts.

Chapter 40B’s purpose is to provide for a fair distribution of affordable housing for people with low or moderate incomes. Affordable units created under Chapter 40B remain affordable over time because a deed restriction limits resale prices and rents for many years, if not in perpetuity. The law establishes a statewide goal that at least 10 percent of the housing units in every city and town will be deed restricted affordable housing. This 10 percent minimum represents each community’s “regional fair share” of low- or moderate-income housing. It is not a measure of housing needs. The problem for Nantucket is that it really has no “region” with which to share the challenge of meeting low- or moderate-income housing needs. It is an island thirty miles from shore. For the most part, its labor force depends on locally available housing – and a housing supply that cannot meet as many competing needs as those found on Nantucket,

Chapter 40B authorizes the Zoning Board of Appeals (ZBA) to grant a comprehensive permit to pre-qualified developers to build affordable housing. “Pre-qualified developer” means a developer that has a “Project Eligibility” letter from a state housing agency, such as DHCD or MassHousing. A comprehensive permit covers all the approvals required under local bylaws and regulations. Under Chapter 40B, the ZBA can waive local requirements and approve, conditionally approve, or deny a comprehensive permit, but in communities that do not meet the 10 percent minimum, developers may appeal to the state Housing Appeals Committee (HAC). During its deliberations, the ZBA must balance the regional need for affordable housing against valid local concerns such as public health and safety, environmental resources, traffic, or design. In towns that fall below 10 percent, Chapter 40B tips the balance in favor of housing needs.

The 10 percent statutory minimum is based on the total number of **year-round housing** units in the most recent federal census. For Nantucket, the 10 percent minimum is currently 490 units. At 5.58 percent, Nantucket still needs another 217 units. Town officials speculate that when the Census Bureau releases 2020 housing counts, Nantucket's year-round base will be smaller than it was ten years ago despite the amount of new home construction that occurred over the past ten years.

Subsidized Housing Inventory

The Subsidized Housing Inventory (SHI) lists all of a community's units that are counted toward the 10 percent statutory minimum under Chapter 40B, and it is actively maintained by DHCD. Table 2-41 reports Nantucket's most recent SHI with a total of 273 units.

Table 2-40: Town of Nantucket Subsidized Housing Inventory (June 2021)					
Name	SHI Units	Comp. Permit?	Expiration Year	Tenure	Subsidizing Agency
Miacomet Village I	22	Yes	Perpetual	Rental	DHCD
Academy Hill School	27	No	2033	Rental	DHCD, MassHousing, HUD
Landmark House	18	No	*2020	Rental	RHS
Landmark House II	8	No	2041	Rental	FHLBB, HUD
Miacomet Village II	19	Yes	2047	Rental	FHLBB, RHS
Nantucket Housing Authority	5	No	Perpetual	Rental	HUD
DMH Group Homes	5	No	N/A	Rental	DMH
Norquarta Drive	2	No	Perpetual	Rental	DHCD
Dartmouth Street	2	No	Perpetual	Rental	Town
Norwood Street	1	No	Perpetual	Rental	Town
Irving Street	1	No	Perpetual	Rental	Town
Clarendon Street	1	No	Perpetual	Rental	Town
Abrem Query	7	Yes	Perpetual	Ownership	FHLBB
Beach Plum Village	3	Yes	Perpetual	Ownership	MassHousing
Ticcoma Way	1	No	Perpetual	Rental	DHCD
Sachem's Path I and II	10	Yes	Perpetual	Ownership	DHCD, MassHousing
7 Surfside Road	4	No	Perpetual	Rental	DHCD
Meadows II	90	No	Perpetual	Rental	DHCD
Surfside Crossing	15	Yes	Perpetual	Ownership	MassHousing
Benjamin Drive	3	Yes	Perpetual	Ownership	DHCD
31 Fairgrounds	31	No	Perpetual	Rental	DHCD
Total	273				
<p><i>* Landmark House units were set to expire in 2020, but affordability restrictions have been extended despite not yet being updated in the DHCD database</i></p> <p><i>Source: MA DHCD</i></p>					



Table 2-42 summarizes some important characteristics of Nantucket's SHI and compares the current list to the one that appears in the 2016 HPP. Since that plan was written, 154 new units of affordable housing have been added to the SHI, representing a doubling of SHI units over five years. The single development with the most SHI units, Meadows II, is a new addition to the list, with 90 new rental units but a relatively large number of affordable homeownership units were also created: the majority (25 out of 35) of the ownership units on the SHI have been added since 2016. Notably, comprehensive permits produced all new ownership units but no rental units, which were created through the adoption of the Workforce Rental zoning bylaw.

Table 2-41: SHI Unit Characteristics						
	Rental	Ownership	Total	Comp. Permit	No Comp. Permit	Total
New since 2015 HPP	126	28	154	25	95	120
Existing	111	10	121	51	70	121
Total	237	38	275	76	165	241
<i>Source: MA DHCD</i>						

The location of most SHI units on Nantucket are depicted in Map 2-8. All affordable developments recognized under Chapter 40B are clustered in the center of the island, mostly in the Mid-Island area. Two Census Tracts (9503.07 and 9505) contain no SHI units.

IMPEDIMENTS TO AFFORDABLE HOUSING DEVELOPMENT

Environmental Constraints

Topography and Soils. Nantucket shares its origin with Cape Cod, Martha's Vineyard and other coastal geologic formations of New England, namely the glacial deposits resulting from the last ice age. The surficial geology extending from Nantucket Harbor to Siasconset consists of glacial till with unsorted sediments, including a mix of sand, silt, clay, gravel, and boulders. The remainder of the island is characterized as sand and gravel deposits, material which is well-drained and easily erodible.

Nantucket has several notable hills that slope from the interior to a relatively flat coastal plain. Some of the island's coastal areas are less than fifteen feet above mean higher high water , making them susceptible to storm surge and long-term sea level rise.

Water Resources. Protection of water resources is particularly important for Nantucket because as an island, it relies on a sole source aquifer for drinking water. Potable water is extracted through three wellfields. Nantucket's wellhead protection districts, protected open space, and sanitary sewer system help to maintain recharge rates and water quality in the aquifer.

There are also measures in place to protect water quality in the island's Great Ponds and coastal waters, including Nantucket Harbor and Madaket Harbor. These areas provide recreational opportunities and support the local economy in the form of tourism and commercial fisheries. The watershed protection districts establish limits on the number of bedrooms per lot area for properties with septic systems and require upgrades to existing septic systems to reduce nitrogen

contamination of surface water and groundwater. Additionally, Title 5 setback areas prohibit installation of septic systems within buffer areas around wetlands and water bodies. Map 2-9 highlights the areas covered by watershed and wellhead protection.

Natural Hazard Areas. The Town of Nantucket Natural Hazard Mitigation Plan summarizes the primary threats to the island's built environment, including coastal flooding, erosion, shoreline change, and high winds. Risk to residents and properties is therefore particularly high in the island's developed coastal areas. Inland flood zones are concentrated along Phillips Run, Sesachacha Pond, and a tributary to Miacomet Pond. Flash flooding in poorly drained areas of the town center and Mid-Island neighborhoods is also an issue. Many buildings and critical facilities are located within coastal flood zones, as delineated by FEMA, particularly along Nantucket Harbor and Madaket Harbor.

All sections of the island's coastline are vulnerable in some way to sea level rise, shoreline change, and erosion. Recently FEMA developed a coastal erosion hazard map which highlights areas susceptible to shoreline migration under a range of scenarios, looking ahead to 2030, 2050, and 2100. As shown on Map 2-10, under the Intermediate-High scenario, the south and northeast coasts of Nantucket could potentially experience significant erosion over the coming decades. The Town is developing a Coastal Resilience Plan which will work to mitigate the impacts of these projected changes.

Wetlands and Wildlife Habitat. The Nantucket Conservation Commission has adopted a local Wetlands Bylaw and Wetland Protection Regulations (revised 2013) that establish additional protections for inland and coastal wetland resources, supplementing state regulations under the Massachusetts Wetlands Protection Act (G.L. c. 131, S. 40). The local wetland regulations require a 25-foot undisturbed vegetative buffer and a 50-foot buffer without structures around wetland resource areas. Activities that involve constructing or enlarging existing structures are further restricted within 75 feet of habitat areas for rare or significant species, and leaching fields for septic systems are not allowed within 100 feet of such areas. Nantucket does not include riverfront areas as defined in the State Wetland Protection regulations, due to the intermittent and tidally influenced conditions of the island's surface water.

The island's unique natural setting and climate also make it home to a variety of wildlife, including habitat for protected species, such as the Piping Plover. The Natural Heritage and Endangered Species Program (NHESP) of MassWildlife has designated most of the island as Critical Natural Habitat or Core Habitat through their BioMap2 program, as shown on Map 2-11. In addition to numerous coastal wetlands, there are several certified and potential vernal pools located across the island. Close to half of Nantucket is held as protected open space through public and private conservation efforts, which in many cases prevents the development of these areas in perpetuity.

Land Conservation

Nantucket has an unusually high percentage of land protected as open space in perpetuity, thanks to the long-established presence of local conservation-oriented organizations such as the Nantucket Conservation Foundation and Nantucket Land Bank. Map 2-12 shows the properties held by these and other groups, including public land, demonstrating that approximately three thousand acres – most of the island – is protected. The Land Bank has been particularly successful,



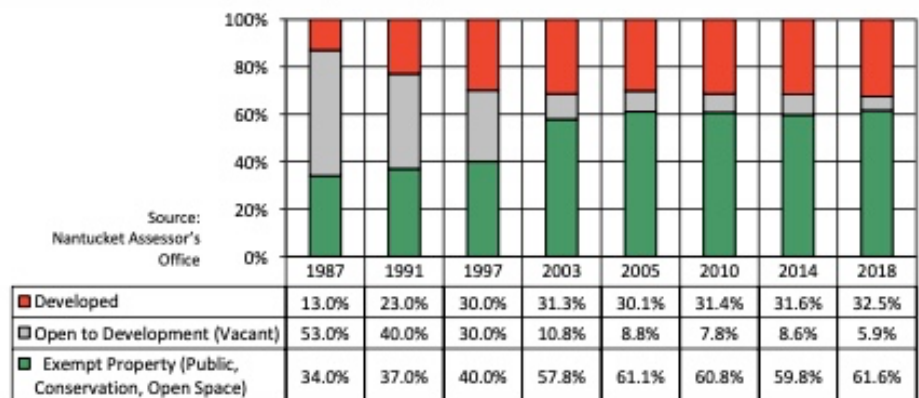
bringing in \$425 million for preservation purposes since inception. Table 2-42 lists the island's conservation organizations that hold either land or conservation restrictions. Notably, the Land Bank owns over 3,300 acres of land and the Nantucket Conservation Foundation owns over 9,000, in addition to various conservation restrictions held by both organizations. The total amount of permanently protected land on the island is 16,483 acres, or about 55 percent of its total land area.

Organization	Conservation Land Owned (acres)	Land Under Cons. Restriction (acres)
Nantucket Conservation Foundation	9,006	N/A
Nantucket Land Bank	3,383	265
Nantucket Land Council	16	1,503
Trustees of Reservations	1,117	18
Mass. Audobon	968	3
Sconset Trust	131	N/A
Madaket Land Trust	73	N/A
Total (acres)	14,694	1,789
Total Conservation Land (acres)	16,483	
<i>Source: Town of Nantucket, July 2021</i>		

Long-term preservation of the Town's natural resources is a worthy goal, yet it also constrains Nantucket's development potential. Competition for available land resources also makes it difficult for the Nantucket Affordable Housing Trust and non-profits to bid on properties before a conservation group or possibly a private developer steps in. Nantucket's long-standing commitment to land and water conservation is not the problem, however; rather, the problem is that removing so much land from the market has placed intense pressure on a fairly small area to house Nantucket's year-round residents, seasonal residents, visitors, businesses, and the workers who support the island's economy. Virtually all new development of any magnitude has many abutters and high visibility. Figure 2-5 reprinted here from the Town's 2020 Long-Range Transportation Plan, succinctly illustrates the issue. Between existing developed land and open space, very little land area in Nantucket remains open to development.

Figure 2-5: Long-Range Transportation Plan Analysis of Available Land

Table 13. Trend of Developed, Vacant, or Exempt Land



Regulatory Assessment

Zoning Regulations. Map 2-13 shows the Town’s underlying zoning districts, and Table 2-43 lists the overlay districts. Figure 2-6, excerpted from Nantucket’s zoning map, shows basic dimensional regulations for each district.

Table 2-43: Nantucket Overlay Districts	
Public Wellhead Recharge	Formula Business Exclusion
Flood Hazard	Harbor
Mid-Island Planned	Village Height
Country	Nantucket Cottage Hospital
Town	Solar Energy
Source: Nantucket Zoning Bylaws	

The Town Overlay District (TOD) and Country Overlay District (COD) hold the key to understanding Nantucket’s Master Plan and the overall organization of Nantucket’s zoning districts. These overlays divide the entire island into “Country” areas where intensive development is prohibited and “Town” areas where it is more permissible (see Map 2-14). The stated purpose of the Town Overlay includes “to create opportunities to produce housing affordable for year-round residents through infill development.”¹⁴ Each underlying zoning district is classified as either a Town or a Country district. The “Town-Country” organization of districts has its origins in the 2009 Nantucket Master Plan. Nantucket’s regulatory framework embodies the “Smart Growth” planning formally embraced by the American Planning Association (APA) in 1997 with the publication of the “Growing Smart” model statutes.¹⁵ The land use vision behind the Town and Country framework is described as:

“... commercial and mixed-use areas at the core of town and the mid-island neighborhoods within the TOD, bracketed by high and moderate density residences filtering into larger, rural tracts of open and green space corridors. Village centers in the COD will enable residents to travel shorter distances for goods, services, and employment, encourage pedestrian and bicycle transport... What must be avoided is a linear pattern of development, the likes of which is seen on the mainland, along major traveled arteries that result in thick strips of congestion.”

The boundaries of the Town Overlay were drawn around areas with existing denser development, preventing those development patterns from spreading further. Commercial uses are allowed in the COD, but zoning prescribes low-density “village center” shopping areas.

¹⁴ Town of Nantucket Zoning Bylaw, Section 139-12 (E)

¹⁵ American Planning Association (APA), Growing Smart Legislative Guidebook (1997).



Figure 2-6: Basic Dimensional Standards for Nantucket Districts



Town of Nantucket - GIS Mapsheet

Nantucket Island Zones



Includes Cumulative Zoning Updates through the June 2020 Annual Town Meeting

<i>District</i>	<i>Minimum Lot Size (in Square Feet)</i>	<i>Frontage</i>	<i>Ground Cover Ratio</i>	<i>Front Setback</i>	<i>Side/Rear Setback</i>
ROH, SOH	5,000	50 ft	40%, 50 %	0	5 ft
R-1, SR-1	5,000	50 ft	30 %	10 ft	5 ft
R-5, R-5L	5,000	50 ft	40 %	10 ft	10 ft min. on one side, 5 ft thereafter* Rear: 5 ft
R-10, R-10 L, SR-10	10,000	75 ft	25 %	20 ft (15 ft)	10 ft (5 ft)
R-20, SR-20	20,000	75 ft	12.5 %	30 ft	10 ft
R-40	40,000	75 ft	10 %	30 ft	10 ft
VR	20,000	100 ft	10 %	20 ft	10 ft
LUG-1	40,000	100 ft	7 %	35 ft	10 ft
LUG-2	80,000	150 ft	4 %	35 ft	15 ft
LUG-3	120,000	200 ft	3 %	35 ft	20 ft
MMD	10 acres	300 ft	0.5%	50 ft	50 ft
CDT	3,750	35 ft	75 %	0	0 / 5 ft
RC	5,000	50 ft	50 %	0	5 ft
RC-2	5,000	40 ft	50 %	10 ft	5 ft
CMI	5,000	50 ft	50 %	0	0
CN	7,500	50 ft	40 %	10 ft	5 ft / 10 ft
CTEC	10,000	50 ft	40 %	10 ft	5 ft / 10 ft
CI	15,000	75 ft	50 %	20 ft	0/10 ft
VN	10,000	50 ft	30 %	10 ft	10 ft
VTEC	40,000	100 ft	25 %	30 ft	20 ft

For further explanation and exceptions, see Nantucket Zoning Bylaws Chapter 139 - 16A

Nantucket has eight “Town” residential districts and seven “Town” mixed-use commercial districts, , four “Country” residential districts and two “Country” commercial districts, three “limited-use” districts, and three other districts for various specific purposes such as moorland conservation and senior housing. The limited use districts cover most of Nantucket’s land area (with LUG-3 being the largest individual district) and are meant to prohibit dense residential development in rural areas. Town Staff report that several of these districts are being phased out or consolidated with other districts; for example, the two senior housing districts (OIH and ALC) are to be incorporated into the surrounding base districts and three “Town” districts (R-1, RC, and RC2) are being phased out.

Nantucket’s zoning districts are currently numerous and complex (see Map 2-13). Some areas, such as portions of the downtown waterfront, are zoned block-by-block, and there are many individual lots zoned differently than what is around them. The overall organization of Nantucket’s Zoning Bylaw could also be improved, with many regulations buried in the “Definitions” section. These issues exist in many towns, but they seem especially obvious in Nantucket.

While Nantucket is clearly divided between zones with large minimum lot sizes and small minimum lot sizes, the density allowed in the “Town” area of the island is significant, and many zones have a minimum lot size of 5,000 square feet. Approximately 3 percent of the Town’s area is zoned for these high-density lots, with another 10 percent zoned for medium-density

development. There is a limited area available for dense affordable housing development, but such locations exist. Most similarly affluent towns in Massachusetts offer no areas for higher-density housing, so while Nantucket's regulatory scheme is unduly complex, its permissive features should not be dismissed.

Zoning Tools and Opportunities. Nantucket's zoning is generally conducive to housing production and contains many tools through which the Town can encourage the creation of affordable housing. Not only is Nantucket the only town in Massachusetts to allow a secondary dwelling unit on a single lot by right in every district, but a tertiary unit may also be permitted. The additional units may be located above a garage or in a separate structure. This level of flexibility and density on a single residential lot

is rare and presents a significant opportunity for creating new residential units on-island. Duplexes in particular have been effectively utilized to produce housing. However, there is no requirement that duplex units will be affordable to people who need lower-cost housing.

Nantucket is the only town in Massachusetts to allow a second dwelling unit on a single lot by right in every zoning district. A third unit can be permitted, too . . . This level of flexibility and density on a single residential lot is rare.

Covenant Housing is a program administered by Housing Nantucket for affordable homeownership up to 150 percent AMI, and it has created 95 such units as of July 2021¹⁶. According to Housing Nantucket, the Covenant program "allows a property owner with more than one residential dwelling on a parcel to sell one of those dwellings at a permanently affordable price." There are two types of covenants to address different types of disposition and ownership:

- *Condominium:* two dwellings under different ownership are established on a single lot, with a condo association agreement between the owners.
- *Secondary Lot:* the existing lot is split so each dwelling is situated on a separate property, requiring Planning Board approval. The smaller of the two new lots must be at least 38 percent of the minimum lot size for the district, with a Special Permit.

Regardless of which type of covenant a property owner chooses, the subject of a covenant may be an existing secondary dwelling or a vacant portion of a lot for which the owner also sells development rights. These dwellings are subject to a perpetual sales price cap that is recalculated every year; as of 2021 the maximum sales price for a Covenant Home is \$888,515.¹⁷ Lot owners can subdivide and sell portions of their property which would have otherwise been unable to generate income, while needed income-restricted housing is created where it could not otherwise have been. Note that Covenant Homes do not count toward Nantucket's SHI because the income restriction is higher than 80 percent AMI. The Covenant Home income standard dates to the income limits that DHCD set to implement an executive order issued by former Governor Cellucci

¹⁶ The 95 unit figure is still quoted on Housing Nantucket's website, but given that the program has been active throughout the HPP drafting process, this figure may be out of date. Needs to be verified with HN.

¹⁷ Housing Nantucket, 2021



in 2000 (Executive Order 418). It serves a legitimate entry-level and Nantucket middle-income housing interest, but it is not designed to create the deep affordability that low-wage workers need.

Nantucket has several zoning districts where housing types beyond detached single-family dwellings are allowed, and this, too, sets it apart from many Massachusetts towns. For example, Nantucket allows apartments and workforce rental communities by special permit in the Commercial Mid-Island and Commercial Neighborhood districts, and apartments are also allowable in the Village Neighborhood district. Single apartment units are allowed by right in most Town Commercial districts, explicitly including existing commercial buildings, creating an opportunity for mixed-use development by right. Notably, the allowable density for apartment units is high, up to one dwelling unit per thousand square feet of lot area. Several such apartments have been successfully created in recent years. The Assisted Independent Living Community district provides for large-scale age-restricted developments.

Employee Housing (also called Employer-Assisted Housing) allows employers to maintain housing units for the exclusive use of employees (and their families). Employer dormitories, allowable by Special Permit throughout the Country Overlay District (excluding the conservation-focused Moorland Management District), allow rental units for five or more employees either on-site or adjoining a commercial use. Neighborhood Employee Housing is similar, allowable by Special Permit in the Town Overlay District, capped at two units (or eighteen total residents), and not to be built within a 1,000-foot radius of existing employee housing of either variety within a residential district.

Accessory Dwelling Units (also known as accessory apartments, or ADUs) are allowed in nearly every zoning district within existing single-family residential buildings, not to exceed 550 square feet of gross floor area, and to be completely self-contained. However, Town Staff report that legally permitted ADUs are still uncommon, perhaps because property owners are seeking easier, unlawful approaches, or possibly because 550 square feet is simply too small.

Finally, **Tiny House Units** (also known as Tiny Homes), portable structures of 500 square feet or less are allowed on Nantucket, and they could provide a low-impact, cost-efficient housing option. However, state building codes currently make these units impossible to approve unless they are allowed as mobile homes.

Zoning Challenges and Limitations. Despite the permissive housing regulations outlined above, zoning alone cannot meet any town's housing needs. Zoning cannot typically account for housing needs below 80 percent of AMI, and otherwise effective provisions can be stymied by organized opposition or market forces. Nevertheless, it is always worth reevaluating a Zoning Bylaw to see where it can be improved to better support affordable housing goals. This section will analyze some of the limitations of Nantucket's current zoning.

Nantucket lacks clear provisions for inclusionary zoning (IZ) – meaning a section of the bylaw explicitly designed to promote affordable housing for low-income households. A Nantucket IZ bylaw need not blindly copy regulations found on the mainland but should encourage affordable units in zoning districts that make sense for the island.



The Zoning Bylaw (ZBL) focuses on income-restricted housing above Chapter 40B “affordable” levels, up to 150 percent AMI, leaving few incentives or realistic options for developers to provide units for lower-income households (at or below 80 percent AMI). In fact, the ZBL explicitly defines “Affordable Housing” as being less than 150 percent AMI – again, reflecting a non-Chapter 40B income metric set years ago under a program that was intended to encourage a boost in supply more than actual affordability. The only provision in Nantucket’s ZBL requiring units be restricted at the 80 percent level is called Homeownership and Rental Workforce Housing. Developments under this section require 25 percent of all units to be affordable, with at least three-quarters of those affordable units restricted to households at or below 80 percent AMI. While it is important to address needs at what are generally considered “Chapter 40B” levels, the lack of explicit attention to lower income levels is a problem not only for Nantucket, but most communities with IZ elsewhere in Massachusetts. The ZBL is not oriented toward serving the island’s lowest-income workers, and it is at those lowest incomes where the most critical and intractable housing problems exist. When regulation cannot or will not address the problem, the only available solution is financial subsidy from one or multiple sources – and the burden to provide subsidy has increasingly fallen on the shoulders of local government, as Nantucket has discovered.

There are some regulatory constraints that Nantucket could revisit, however. The current residential parking requirement of one space per bedroom is a significant barrier to new housing construction, especially for family housing, and especially for larger developments that would be unable to provide the required amount of parking. Maximum building height regulations are another determining factor for what types of development are feasible in a given zoning district. The maximum allowable height across the island is 30 feet with only a few exceptions: the maximum is decreased to 25 feet in the Village Height Overlay District (found only in Madaket) and increased to 40 and 50 in the Commercial Mid-Island District and Nantucket Cottage Hospital Overlay District (found only at the Nantucket Cottage Hospital property and a handful of adjoining parcels), respectively.¹⁸

Historic Regulations. First settled by Europeans in 1641, Nantucket has a long and rich history resulting in many significant historic sites being located throughout the island. Nantucket’s historic architecture draws tourists and permanent residents alike, and therefore plays a significant role in the Town’s economy and culture. Accordingly, the Town’s Bylaws establish the entire island as a historic district under the supervision of the Historic District Commission (HDC). According to the Bylaw, “no building permit for construction or alteration of a building or structure within the Historic Nantucket District” shall be granted until the HDC has issued either a “certificate of appropriateness” or “certificate of non-applicability” after reviewing a proposed project. For its design standards, the HDC uses a detailed manual called “Building with Nantucket in Mind,” available on their website.

The HDC can exert varying degrees of control on affordable housing development depending on how the commission interprets its duties in a given situation. While the HDC is not a land use board, the commission can indirectly affect the viability of a project by regulating aspects of its

¹⁸ Building height is measured as the average height of all sides of a building, with no individual side of a building to exceed 32 feet in height.



character such as height or style. It is equally possible, however, that the HDC might act as a partner in facilitating adaptive reuse of important existing structures for housing purposes. Historic preservation and affordable housing production are not mutually exclusive goals.

Infrastructure Constraints

New residential development requires public utilities and infrastructure, such as water or roads. As demonstrated in this section, infrastructure capacity does not seem to be one of the most significant barriers to development on Nantucket.

Water. Nantucket's public water system serves approximately 60 percent of the island, comprising 6,400 service connections (see Map 2-15). The Town Center and Mid-Island areas are well-served with a branch running out to Madaket in the west, while Siasconset has its own independent water system managed by Wannacomet Water Company. The Town's water is drawn from aquifers below the island. The Water Department repairs or upgrades water mains every year and conducts ongoing maintenance. One significant water infrastructure upgrade was a new, larger water tank installed about ten years ago.

Sewer. The public sewer system currently services about half of Nantucket, and according to Town Staff the local wastewater treatment facility has the capacity to absorb growth. Map 2-15 shows the extent of the Town's sewer network and its sewer districts. At time of writing, the Town is completing a Sewer District Master Plan that will help determine how to increase wastewater flows into the existing system and where and how to best connect new routes. Notably, a sewer line extension to Madaket has been proposed but has never been funded.

Transportation. As an island located thirty miles out from the mainland, the only ways to reach Nantucket are by boat or plane. Nantucket Memorial Airport (ACK) is served by several major airlines, but per the ACK website, the most reliable year-round air routes are provided by Cape Air between Nantucket and Hyannis or Boston. Regular ferries depart Hyannis, offering high-speed trips from Hy-Line Cruises and the Steamship Authority that reach Nantucket in about an hour and the Steamship Authority's "traditional ferries" that take over two hours. Seasonal ferries operate from New Bedford, Harwich, Martha's Vineyard, and New York City during the summer.

Once on-island, driving is the main way to get around, although other transportation options exist. A series of connected bike paths run across most areas of the island, and the Nantucket Planning and Economic Development Commission has provided recommendations for further improving this robust network. The Nantucket Regional Transit Authority (NRTA) provides public transportation with multiple year-round shuttle bus routes serving most areas of the island, although the level of service does fluctuate seasonally. Bus routes from Downtown Nantucket to Madaket, Surfside Beach, and the Nantucket Memorial Airport are limited to the summer months and trips to Siasconset become less frequent during the off-season. Around half of the NRTA's nine routes operate year-round, however, and most run every 30-40 minutes and require a two-dollar fare each way, although some longer routes charge three dollars. The average commuter taking a bus to and from work five days per week would spend twenty dollars per week on transit costs. Downtown, Mid Island, and Miacomet are the areas with the most consistent year-round bus service.

Operating concurrently with the bus service is a PARA Transit program that provides disability-accessible rides. The NRTA also operates a year-round shuttle service called “Your Island Ride” for residents aged sixty years or older and those with disabilities. Finally, the Town website recommends several private vehicle rental and taxi services for meeting transportation needs, although these recommendations serve visitors more than residents. Overall, Nantucket’s transit system is robust for a community outside of a major metropolitan area, and the availability of bus routes year-round offers a significant advantage to low-income households without access to a car. However, the fares may act as a barrier for the island’s lowest-income residents and some areas with existing affordable housing, such as Surfside, are served inconsistently throughout the year.

Community Opposition

During the community engagement process for this HPP, Nantucket residents said they recognize the urgent need to address the island’s housing crisis, to provide stability, safe and comfortable homes, and to ensure housing opportunities exist for all income levels. They lamented how difficult it has become to attract and retain essential workers for the fire department, hospital, and local schools, all because Nantucket does not have affordably priced housing for moderate-income people. Chapter 40B is an imperfect solution in places like Nantucket because moderate-income workers earn too much to qualify for affordable housing but nowhere near enough to afford rent or a down payment for market-rate homes.

In Nantucket, as in any town, the ability to create affordable housing is constrained by market forces, the land supply, environmental and regulatory barriers, and by what its residents are willing to accept. Local opposition can kill a project just as easily as a lack of sewer or outdated zoning, and Nantucket has a history of well-organized community pushback against affordable housing projects. While valid planning questions from the public have to be addressed through the permitting process, the problems caused by misinformation, negative attitudes about affordable housing, stigmatization of people with low incomes and people of color, and unproven environmental impact are much harder to solve, but nevertheless must be addressed as a priority.

The planned development at 6 Fairgrounds Road is a recent example of Nantucket investing significant resources and effort into an affordable housing initiative, only to be stymied by local opposition. The 6 Fairgrounds Road Workforce Housing project is a 64-unit rental development on Town-owned land backed by the voters at Town Meeting. Despite support from the Town and the community at large, several area households objected and appealed the Planning Board’s special permit in 2018. Now, the selected developers have expressed concerns that since litigation



"The character and charm of Nantucket would be permanently ruined if the number of houses needed were to be built. There is no correct answer to fix the housing crisis on the Island."

"Changing the island to accommodate masses of people who want to live here is not the way. Let's keep something special just that - special."

"Too much low-income housing"

"[A pressing issue is] the mistaken push to share tax dollars for affordable housing. Just nope."

"Nantucket is a unique place to live, yet not affordable for some. It is unclear why people live here to work and work here to live by "struggling" month to month, as your survey suggests."

"Overcrowding and unsanitary conditions exist due to cultural differences."

"Nantucket has turned into a sanctuary island. All the housing is taken up by Spanish speakers. [The] island has resorted to building more out of character developments, filled with more Spanish speakers."

"Illegals [are] allowed. Everyone on island feels they are owed a home but let them save and pay taxes, earn it like other places."

"Stop building these acres of land for immigrants, you're ruining the island!"

kept the project on hold for so long, construction costs have risen to a point where the project may no longer be financially viable.

One of the litigants who opposed the development was quoted as saying "none of us are opposed to affordable housing, per se, it was the way they went about approving it."¹⁹ Likewise, few on Nantucket openly oppose the concept of affordable housing. While some broad anti-affordability sentiment was expressed through the community engagement process for this HPP, it is much more common for citizens to identify concerns about the scale, location, design, or other characteristics of specific projects. These kinds of concerns are not inherently unfounded, but too often they are used to oppose affordable housing without considering how both housing needs and, for example, environmental concerns could be balanced. Whether in Nantucket or any other town, pitting affordable housing against environmental quality and open space is a common source of irreconcilable conflict.

During the engagement process for this HPP, a topic frequently raised was the demand for a "carrying capacity study" before approving any further affordable housing development in Nantucket. The merits of such a study are the subject of disagreement in the community, with others arguing that it is unnecessary. Planners, likewise, have debated the merits of "carrying capacity" studies for many years. Nevertheless, the current lack of such a study is not a legitimate reason to delay planning for urgently needed affordable housing. Concerns regarding the

¹⁹ Balling, Joshua. "Neighbors appeal Planning Board on 6 Fairgrounds affordable housing." *Inquirer and Mirror* (Nantucket, MA), Jan. 25, 2018.

environment, Town character, and overpopulation are at times deployed in the same manner. Development of new housing *can* be done with these concerns in mind, rather than being tools for opposing affordable housing.

There is a vocal segment of Nantucket's population that openly opposes the idea of constructing *any* additional housing, especially affordable housing. There is also a serious, growing racial divide on Nantucket, and racial biases make their way into the discourse about affordable housing. While most concerns expressed to the consultant team made no explicit mention of race, many comments clearly attest to racial, ethnic, and cultural bias. These challenges are much harder to address than regulatory, infrastructure, transit, and environmental constraints.



Section 3

HOUSING GOALS

An HPP is required to set two types of goals: an annual numerical goal for affordable housing production, and qualitative goals based on the type, affordability, location, and other desired aspects of new affordable housing.

Nantucket's goal should be to produce at least twenty-four units of new, SHI-eligible units every year, which is the minimum requirement to obtain Safe Harbor status. The Town can and should try to exceed this number where possible, but the Safe Harbor threshold is a useful benchmark by which to measure sustained progress toward long-term housing goals.

The following four major qualitative goals are based on the preceding Housing Needs Assessment and community participation. They are broken up into more specific "sub-goals," but this HPP's four major goals address the breadth of Nantucket's housing needs.

1. Preserve, diversify, and expand year-round housing stock

- *Increase both rental and ownership housing options*
- *Provide for age-restricted housing to address the unmet needs of Nantucket's elderly population*
- *Encourage units of different sizes, and in various neighborhoods*
- *Protect existing year-round housing from conversion to seasonal use*

2. Increase focus on affordability at all levels

- *Increase focus on affordability for households with incomes between 50-100% AMI, where the highest levels of housing cost burden actually exist*
- *Adopt appropriate affordable housing zoning regulations*

3. Tailor development strategies to location and principles of the Master Plan

- *Working within existing zoning, focus density in appropriate areas*
- *Identify specific sites to encourage affordable and mixed-income development*

4. Engage in outreach, education, and partnerships

- *Expand and maintain partnerships with regional organizations that deal with housing issues*
- *Reach out to underserved residents*
- *Educate the public about affordable housing*



Section 4

HOUSING STRATEGIES & ACTION PLAN

The following strategies are designed to help meet the affordable housing goals outlined in the previous section. Each strategy corresponds with at least one goal, and similar and complementary strategies are grouped together. Many are meant to directly facilitate the production of SHI-eligible units, while others support the same goal indirectly (for example, community outreach and education) and still others seek to address critical affordable housing needs that will not necessarily contribute to the SHI (for example, formalizing and regulating room rentals).

Finally, DHCD requires that an HPP include a certain set of strategies in addition to whatever other strategies a community deems appropriate. These strategies are:

- *The identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating SHI Eligible Housing (25% of units at 80% of AMI) developments to meet its housing production goal.*
- *The identification of specific sites for which the municipality will encourage the filing of Comprehensive Permit applications.*
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality for example, infill development, cluster developments, adaptive re-use, transit-oriented housing, mixed-use development, and/or inclusionary zoning.*
- *Identification of municipally owned parcels for which the municipality commits to issue requests for proposals (RFP) to develop SHI Eligible Housing, including information on appropriate use of the site, and a timeline for the issuance of an RFP.*
- *Participation in regional collaborations addressing housing development.*

(Source: Housing Production Plan Guidelines, DHCD, October 2020)

All five of these requirements are satisfied by at least one of the strategies described in the rest of this section.

Reliable Affordable Housing Funding Streams

Every one of the following strategies discussed in this section requires funding to be viable. There is a very large gap between affordable housing costs and the costs that Nantucket's market will support, and the Housing Director and NAHT have long recognized that this gap must be bridged through public funding or providing valuable incentives to private developers. To help Nantucket reach its goals, entities such as the Affordable Housing Trust will need substantial and reliable funding sources. The budget for new or expanded housing programs may be sourced from various places; a good starting point is to examine some of the affordable housing funding mechanisms currently proposed as warrant articles for the 2021 Town Meeting. \$17 million was



approved at the 2021 Annual Town Meeting and at the ballot. Town Meeting regularly appropriates money for the Affordable Housing Trust fund, and a continuing good relationship with the Select Board and Town Meeting voters will continue to be vital to housing efforts going forward. But this is not enough in a place where the median home price on Nantucket is presently at \$2.3 million. Accordingly, the Town continues to pursue a real estate transfer fee to fund affordable housing initiatives (similar to an existing fee utilized to great success by the Nantucket Land Bank, which has generated \$400 million for conservation and recreation purposes). So far, it has been unsuccessful in getting the necessary Home Rule Petition approved by the State Legislature, in part due to strong opposition by the Massachusetts Association of Realtors. One Town Meeting article in 2021 sought to appropriate an existing portion of the Land Bank's transfer fee rather than add new, separate fee as a way to make the petition more palatable to the Legislature.

Public Outreach Initiatives

Public outreach does not produce housing in and of itself, but is vital for any affordable housing initiative to succeed. On one hand, the Town must ensure that all those who could benefit from new and existing affordable housing programs are made aware of the opportunity, and whether they qualify to take advantage of it. To that end the Town should make housing-related materials available in Spanish and Portuguese, the two most widely spoken non-English languages spoken in the community, as well as other languages that represent Nantucket's diverse community. and partner with trusted stakeholders in immigrant communities for relationship-building, education, and outreach

For housing initiatives to succeed, it is vital that the general public remains well-informed. In the absence of clearly communicated information rumors and misinformation about what affordable housing is, what it looks like, and what it means for the community often spread, as discussed in the "Community Opposition" section of this plan. People might vehemently oppose housing strategies at Town Meeting that they would accept if they could only see a few positive examples from other communities.

The HPP itself can be an informational tool to help the community understand the rationale behind specific affordable housing initiatives, what their effects on the community will look like, and how they function. Public outreach is a critical part of any of the preceding strategies, especially when a Town Meeting vote is required. Focus groups and webinars, strategies used for the public outreach portion of this plan, are good tools for assessing the public's opinions on a given measure.

Identify Municipal Properties

In accordance with DHCD's requirements for a Housing Production Plan, the consultant team worked with Town Staff and the Affordable Housing Trust, with the addition of community feedback, to identify sites owned by the Town or other public entities that might be suitable locations to encourage affordable housing development.

The sites resulting from this process are shown in Map 4-1. They could provide options for redevelopment, new construction, or conversion of existing units to create affordable or mixed-

income housing on land owned by public entities, including UMass, the Nantucket Housing Authority, the Affordable Housing Trust, the Town of Nantucket, and the Airport Commission. Detailed summaries of these sites can be found at the end of this section of the plan. Most of these sites are already served by the municipal water and wastewater systems and do not have significant environmental constraints. Sites in zoning districts that are not limited to residential uses could be appropriate for mixed-use (commercial and residential) development. Some could also be permitted for affordable/mixed-income residential development as a Comprehensive Permit.

Another useful way for Nantucket to identify municipal properties suitable for housing is to create a comprehensive town-owned land inventory. In addition to a simple and comprehensive list of Town properties, including current departmental uses, zoning, environmental concerns, and other data, the inventory could include a plan for how to best utilize the included properties moving forward. The identification of each parcel's greatest potential public benefit, undoubtedly including housing in some cases, would help guide Nantucket's future development of its own land holdings and provide opportunities for all Town departments to have their say.

Disposition of Town Land

One of the most straightforward ways for a municipality to encourage any type of development is to directly facilitate desirable projects on land that it owns and therefore controls. The Town issues a request for proposal (RFP) to potential developers and selects one to complete the project. The land is provided for free (or at least for significantly below market value), eliminating a major development cost and offsetting the losses that a developer would otherwise incur from foregoing the income from market-rate units. While Nantucket has been proactive in conveying land to its housing partners, the Town should consider the municipal properties identified in Map 4-1 and this section of the HPP as candidates for future affordable housing RFPs.

Identify Private Properties

In addition to producing new units on its own properties, the Town must also consider opportunities to encourage affordable housing development on privately owned properties. A list of potentially developable private properties was developed concurrently with the previously discussed municipal properties. It is worth clarifying that the Town and the authors of this HPP do not intend to endorse any one particular project on any of these sites. Rather, they serve as examples of the development potential to be found in Nantucket's private properties.

The sites (shown on Map 4-2) could provide possible future opportunities for private development of affordable or mixed-income housing units on privately-owned land. These sites are owned by commercial, industrial or institutional property owners, or private non-profit organizations, not individual homeowners, and many are in areas already served by the municipal water and wastewater systems. Some sites would require redevelopment of existing industrial areas, which may include soil contamination or other issues not reflected in this preliminary analysis. One of the sites is within a Priority Habitat area (as identified by NHESP), and development would be subject to review by the MassWildlife's Natural Heritage and Endangered Species Program (NHESP) to determine whether threatened or endangered species may be impacted by a proposed project. All privately-owned sites would be subject to an agreement with or acquisition of land



from the current owner before any development could be considered or developed by the current owner, if applicable.

Negotiated Chapter 40B Developments

The Comprehensive Permit process is sometimes seen by communities as an unwelcome imposition or even a looming threat to be avoided at all costs, but Chapter 40B is a tool that municipalities may use to their advantage. The ability of a Comprehensive Permit application to bypass certain local zoning regulations can be of great benefit to a town where key affordable housing strategies are rendered infeasible (or at least difficult) by the ZBL. Common examples are higher-density apartment complexes or conversions of commercial or industrial properties to residential use. The term “Friendly 40B” refers to negotiated process that often occurs before the developer initiates a Comprehensive Permit application. In a negotiated process, the community works with a developer to make the Comprehensive Permit process work for all parties. By including a list of properties considered high-priority or high-suitability Comprehensive Permit sites in an official plan such as this HPP, the Town can guide developers to those areas. All other things being equal, most developers would prefer to build on a property that has the support of Town Staff and the community at large, especially because Chapter 40B developments are so often controversial. A negotiated Comprehensive Permit like this may be conducted under the aegis of DHCD’s Local Initiative Program (LIP) or through a conventional comprehensive permit process that has local support.²⁰

As an example, the successful Sachem’s Path development in Surfside utilized the Comprehensive Permit process to create thirty-seven affordable units at various income levels on land owned by the Nantucket Housing Authority. The project would not have been possible without the cooperation of the Town and the developer working together, and the result has been widely praised by individuals and organizations on Nantucket. The potentially developable municipal and private parcels identified earlier in this section may be possible locations for future negotiated Chapter 40B developments, although certainly not every site will be suitable for a Comprehensive Permit.

Expand Existing Zoning Tools

As discussed in the Barriers to Development section, Nantucket already has a relatively robust set of zoning tools for encouraging housing development, such as higher-density multifamily development allowed in several districts and the ability to create secondary and tertiary dwelling units on a single lot. However, given the ongoing housing affordability crisis on the island, it would be beneficial to continuously revisit the Zoning Bylaws to look for ways to improve even further. While zoning alone can never solve all of a town’s problems, it is still a major determining factor in what new housing can be developed on the island. Therefore, it is the recommendation of this HPP to consider ways in which the Town’s existing zoning tools can be expanded. Here, “expand” means two different things:

- Expand existing, allowable uses to new zoning districts;
- Expand existing affordability efforts to more income thresholds.

²⁰ MA DHCD, <https://www.mass.gov/service-details/local-initiative-program>

There are multiple programs and regulations that could be expanded in these ways without changing the underlying character of any existing zoning district or loosening any existing regulations. For example, workforce homeownership bonus lots are currently only allowable in the R-5 District and workforce rental units in the CN and CMI Districts (see Map 2-13). R-5 is a Town Residential District and CN and CMI are Town Commercial districts, and do not differ substantially from neighboring Town zoning districts. Workforce Homeownership lots could, for example, be expanded to R-1 or R-10, which have similar dimensional and use regulations, without the substantial alteration of those districts' character. Similarly, the ability to create mixed-use developments (for example, through an apartment above a commercial space) by-right could be expanded to all Town Commercial Districts.

Successful programs like Covenant Homes, which currently are affordable up to 150 percent of AMI, could be adapted to other lower income levels. 80 percent of AMI is always a desirable threshold because such units could be counted on Nantucket's SHI, but even restrictions at 100 percent would help fill a notable housing gap. While deeper subsidies would naturally require more funding, later strategies will address the potential for Nantucket to raise additional revenue for supporting these and other housing programs.

Zoning Changes

While the previous section addresses expanding the scope of existing zoning regulations, there are also opportunities for Nantucket to make more substantive changes its Zoning Bylaw to better encourage the development of affordable housing. For example:

- The Town should conduct an analysis to determine where affordable housing zoning provisions are being underutilized, and how incentives could be adjusted to encourage adoption by developers and homeowners. In these cases, bonuses such as increased density or expedited permitting process should be considered to boost the feasibility of these tools. . For example, Town stakeholders have suggested that apartments containing more than four dwelling units may not require a Special Permit up to a certain size in the districts where they are allowed. Eliminating Special Permit requirements in favor of other types of regulations or allowances by right saves the Town the time and energy needed to conduct public hearings while making the process more appealing to potential applicants. As long as the replacement regulations are appropriate and thoughtfully constructed, they should be able to mitigate the concerns that originally justified the use of the Special Permit process
- Reduce parking requirements, especially for multifamily dwellings: parking is a huge constraint on development, especially in towns like Nantucket with limited developable area. Currently, residential uses such as apartments and Workforce Rental Communities require one parking space per bedroom in some districts, whereas State guidelines recommend reducing that requirement to one per unit to make multifamily development more feasible.

Inclusionary Zoning

Inclusionary Zoning (IZ) refers to any set of zoning regulations that require a developer to reserve a certain percentage of units in a housing development as affordable. IZ can be written to trigger at a certain size threshold (based on the number of units in a development) and to require any



percentage of affordable units at any level of affordability. Nantucket does not currently have IZ provisions in its Zoning Bylaw, meaning that when larger projects do come to the island, they are not required to contribute any affordable units. The Planning Board is already free to negotiate for affordable units, but an effective IZ Bylaw would make the creation of new affordable units more consistent. The approach is highly adaptable to local housing needs and market trends, so IZ should only be adopted after a comprehensive economic study of what the local housing market will bear. Poorly thought-out IZ can be actively harmful, as overly restrictive requirements might actively dissuade developers from operating in a community. Therefore, it is beyond the scope of this HPP to recommend specific thresholds for triggering IZ requirements and the extent of those requirements, other than to encourage requiring at least some units at 80 percent of AMI or below.

The reason most IZ bylaws set affordability restrictions at the 80 percent AMI level is that usually, requiring a developer to include a significant number of income-restricted units at a lower level is not financially viable. Therefore, it is unlikely that IZ could be used on Nantucket to address needs below 80 percent of AMI. To fill this gap, subsidies could be made available to rental developments in exchange for deeply affordable units for households with incomes below 50 percent AMI. These subsidies could be provided by the NAHT, partnerships with local non-profit community organizations, or through a collaboration of both.

Other factors for Nantucket to consider for an IZ Bylaw include the possibility for density bonuses in appropriate locations to offset the cost of affordable units, if currently allowable densities prove too restrictive. Reasonable payment-in-lieu contributions could also be considered, such as a contribution to Nantucket's affordable housing trust fund in proportion to the number of inclusionary units that would otherwise be required.

Adapting Strategies for Different Areas of Town

The Town should consider affordable housing strategies for every village and neighborhood, but appropriate strategies will differ by area. Much of the discussion in this plan of mid-scale multifamily development has centered on the Mid-Island and Downtown areas of the island. For example, Map 2-8 shows that existing SHI units are clustered in this area and the potentially developable parcels identified on Maps 4-1 and 4-2 are as well. The main reasons for this are that Nantucket's zoning, based on pre-existing development patterns and the Nantucket Master Plan, limits larger-scale development to "Town" zoning districts (see Map 2-14), and that the public water and sewer lines that help make multifamily development viable are also concentrated in these areas. It is therefore unrealistic to recommend that significant mid-scale multifamily development take place outside of these areas.

However, the realities of Nantucket's development constraints should not be taken to mean that affordable housing should not be made available in every part of the island. It would be inequitable to limit households of certain income levels to certain neighborhoods. While mid-scale development may not be viable in Nantucket's Country zoning districts, there are a host of other strategies that might be implemented to encourage the creation of affordable units there. For example, because development in these districts will likely be small-scale, individual units, Inclusionary Zoning will not work. Instead, the Town could consider individual tax incentives, such as waiving property taxes for units that rent to households at or below certain income

thresholds. Another approach might involve developing provisions for on-site agricultural workforce housing for Nantucket's farm workers, where current workforce housing provisions focus on Town zoning districts.

Expand Rental Opportunities

The lack of year-round rental opportunities on Nantucket was a notable concern for survey and focus group respondents, and the data backs this perception up. The Town has a lower proportion of renter households than the state average, and the majority of these households are rent burdened according to HUD standards, meaning that they pay more than 30% of their income for rent. While many factors contribute to these high costs, the lack of rental unit supply relative to demand is a key cause that can be addressed by creating more units.

While the continued expansion of affordable homeownership opportunities is an important component of this plan, this strategy centers the production of rental units because of their relative scarcity and the important market niche they can fill. Rentals can help meet the demand for smaller, more affordable units, and can provide a larger number of units on a particular property than a typical homeownership development. Some of the zoning changes discussed in the "Expand Zoning Tools" and "Zoning Changes" strategies could be leveraged to produce more rental units, and avenues for creating rental housing outside of the Mid-Island/Downtown area should also be explored, as these areas currently have extremely limited rental options.

Historic District Standards for Multifamily Housing

All of Nantucket is subject to design review by the Historic District Commission (HDC). The HDC plays an important role in maintaining the island's signature historic character, but their detailed guidelines contain relatively little information regarding the kind of mid-scale multifamily developments upon which Nantucket depends for a significant portion of its new affordable units.

While new multifamily development is often considered to be at odds with the preservation of historic character, many such concerns are the result of design rather than density or number of units. Larger-scale development can be made easier, quicker, and more predictable if the HDC can identify acceptable design standards and models that would alleviate concerns of character or perceived scale associated with these projects. Specific guidance for affordable housing projects could be created as a special supplement to the Commission's existing regulations and used as part of the review process Comprehensive Permit projects (though developers are still allowed to request waivers). Developers that adopt the Town's prototypes and specifications could be made eligible for an expedited review process, reducing the need for costly plan revisions and hearing extensions.

Needs Assessment for Housing for People with Disabilities

The housing needs of Nantucket residents with disabilities are poorly understood, both in terms of what accommodations are currently available to these residents and what changes might be needed to meet their needs. Anecdotal evidence reported in this plan indicates that the island does not have an adequate supply of housing for those living with mental health and substance abuse issues, while little data was reported regarding those with physical disabilities. The Town should endeavor to formally assess the island's current capacity to provide adequate housing for people



with disabilities and produce a concrete plan for meeting any unmet demand. This initiative should be undertaken in cooperation with the Nantucket Commission on Disability.

Community Land Trust

The formation of a community land trust is a strategy that attempts to address the problem of rapidly growing real estate values pricing existing residents out of their own community. Nantucket is experiencing a similar problem related to the seasonal housing market, where housing units previously available to residents are purchased by relatively wealthy out-of-towners to serve as vacation homes. A Community Land Trust (CLT) is a nonprofit organization that seeks to remedy such problems by purchasing parcels of land itself and holding them in perpetuity rather than allowing them to enter the commercial real estate market. The CLT develops or partners with developers to build housing on its land. CLT housing differs from most town-facilitated development in that the Trust retains ownership of the land while selling the houses. Because homeowners are not buying land, merely leasing it (usually for a long period such as ninety-nine years), the cost of land is removed from the price of the home, resulting in much more affordable housing than could otherwise be expected. CLT homeowners may even sell their homes for a profit, allowing their property to function as an investment like any other, albeit at a lower rate of return as most Trusts limit the amount that homes may be sold for so as to keep them affordable in perpetuity.

A key difference between a CLT and an organization like the Nantucket Affordable Housing Trust is the CLT's ability to function as a private property owner. The complicated and unwieldy rules that public organizations must abide by to acquire and sell property do not apply to a CLT. This means the CLT can be a nimbler player in the real estate market. A Nantucket CLT might be a new organization, but existing housing players might also consider taking on the role of a CLT.

The Housing Director and the NAHT have long recognized that Nantucket has a good model for a CLT in nearby Martha's Vineyard, where the Island Housing Trust ("IHT") has operated successfully for over fifteen years. IHT's long-term goal is to create 150 new ownership and rental units by the end of 2025 through the strategies described above. IHT anticipates the need to raise 60 million dollars to achieve this goal, through partnerships with "towns, the state, other housing organizations, and supporters and investors."²¹ Plans are already underway for a visit to IHT in July 2021 as a solid first step in developing a CLT of Nantucket's own.

Formalize and Regulate Room Rentals

As discussed in the Housing Needs Assessment, Nantucket has a serious problem with overcrowding. Individuals and families are often forced to either leave the island or accept crowded and sometimes unsafe or unsanitary shared quarters because they cannot afford any other accommodations on-island. The Town finds itself in the difficult position of being unable to fix problems like substandard housing or exploitative landlords in these informal room rentals without putting the affected households in danger of being kicked out of their current accommodations. Without these crowded room rentals, families would have to leave the island. If this were not the case, it is unlikely they would tolerate such conditions in the first place.

²¹ <https://www.ihtmv.org>

Other Massachusetts communities faced with similar problems have opted to formalize and regulate these rentals in order to ensure that the local government can provide support to households in these situations. By formally acknowledging and allowing (with conditions) these living arrangements, municipalities are able to enforce building codes and advocate for tenants without forcing them to abandon their living arrangements. The island is clearly already dependent on room rentals to house its workforce, so the Town should assess and amend its current regulations to allow a safe and viable version of these units to exist legally.

Allow Modular Homes

According to local real estate analyses and community input, the high cost of construction is a major contributing factor to Nantucket's unaffordable home sales prices. Labor and material costs are the major factors in determining overall construction costs, and both are more expensive on an island like Nantucket. A potential solution to this problem is to maximize opportunities to construct modular or prefabricated homes off-island. The Town's Zoning Bylaws already contain provisions for Tiny Houses, which are usually prefabricated, but as written it is impossible to build a Tiny House Unit that complies with both local zoning and state building codes. Ways to make this existing strategy viable should be explored. Furthermore, other types of prefabricated housing should be considered. Confusingly, the term "mobile home" may be applied to either a wheeled trailer meant to serve as a primary dwelling or a stationary traditional dwelling unit that is prefabricated then transported to a permanent site. Nantucket should explore the viability of allowing mobile homes in the latter sense, essentially functioning like a bigger Tiny House. A potential disadvantage of this approach is that it may be more difficult to blend mobile homes with the island's existing character, but appropriate design solutions may be possible.

Local and Regional Partnerships

The Town of Nantucket does not share its island with any other municipality, and is the only town in the County of Nantucket. The DHCD requirement to develop strategies for expanding regional partnerships, therefore, is uniquely challenging here. Nevertheless, there do exist opportunities for the Town to explore cooperating with agencies across the greater Cape and Islands region. For example, the Housing Assistance Corporation of Cape Cod (HAC) served as the developer for Sachem's Path, a successful affordable homeownership project. The Town should continue to explore opportunities to work with the Cape Cod HAC and other housing organizations on Cape Cod and Martha's Vineyard.

Nantucket has an active community of housing organizations already operating on-island. For example, Housing Nantucket manages the Covenant Homes program, ReMain Nantucket supports housing options for year-round residents Downtown, and National groups like Habitat for Humanity have a presence on the island. Some of these entities have histories of partnerships with the Town, and some have the potential for future cooperation.



APPENDIX A: POTENTIAL AFFORDABLE HOUSING SITES

(insert from JM Goldson materials)



Public Site 1	Description: Existing condominiums that could be acquired by the Town and converted to affordable units with deed-restrictions.
----------------------	--



- Potential Housing Parcels
- Open Space
- 100 yr. flood zone
- Water Network
- 500 yr. flood zone
- Sewer Network



Sources: Town of Nantucket, MassGIS, Maxar, Microsoft

Address: 18 & 16 Vesper Lane	Owner: UMass (Public)	Area (acres): 3.44
Parcel ID: 55 247, 55 247.1	Constraints: Existing condominium development	
Zoning: Commercial Neighborhood (CN), Town		
Infrastructure: Existing water and sewer		

Public Site 2 **Description:** Existing apartment complex with potential for infill development and or redevelopment to make more efficient use of land.



Address: Norquarta Drive	Owner: Housing Authority	Area (acres): 3.69
Parcel ID: 67 501	Constraints: Existing Nantucket Housing Authority development	
Zoning: Limited Use 2 (LUG-2), Country		
Infrastructure: Existing water and sewer		

Public Site 3

Description: Vacant parcels with potential for mixed-use development, possibly including community meeting space, non-profit office space, or retail.



Address: 135-137 Orange St.

Owner: Affordable Housing Trust

Area (acres): 0.81

Parcel IDs: 55 285, 55 286

Zoning: Commercial Mid-Island (CMI), Town, Mid-Island Planned Overlay District (MIPOD)

Infrastructure: Water and sewer available

Constraints: Existing parking area overlaps with one parcel.

Public Site 4 **Description:** Former fire station with potential for mixed-use redevelopment, possibly including community meeting space, non-profit office space, or retail.



Address: 131-135 Pleasant St.

Owner: Affordable Housing Trust

Area (acres): 1.08

Parcel IDs: 55 270, 55 271

Zoning: Commercial Mid-Island (CMI), Town, Mid-Island Planned Overlay District (MIPOD)

Infrastructure: Existing water and sewer

Constraints: Existing fire station and outbuilding. Sewer main easement across middle of the site.

Public Site 5 **Description:** Vacant lots with potential for single-family or duplex development.



Address: 5, 7, 9 Waitt Dr.	Owner: Town of Nantucket	Area (acres): 0.31
Parcel IDs: 67 920, 67 921, 67 922	Constraints: Temporary storage of trailers on site, Waitt Drive is under construction. <i>*available once road construction is complete</i>	
Zoning: Residential 5 (R-5), Town, note: eligible for Flex development		
Infrastructure: Water and sewer available*		

Public Site 6

Description: Vacant lot with potential for mixed-use development with housing above a commercial use on the ground level.



- Potential Housing Parcels
- Title 5 Setback Areas
- Wetlands
- Open Space
- Water Network
- Sewer Network



Sources: Town of Nantucket, MassGIS, Maxar, Microsoft

Address: 7 Amelia Dr.

Owner: Town of Nantucket

Area (acres): 0.28

Parcel ID: 67 434

Constraints: None known.

Zoning: Commercial Neighborhood (CN),
Town

Infrastructure: Water and sewer available

Public Site 7 **Description:** Single-family lot with potential for secondary/tertiary dwellings.



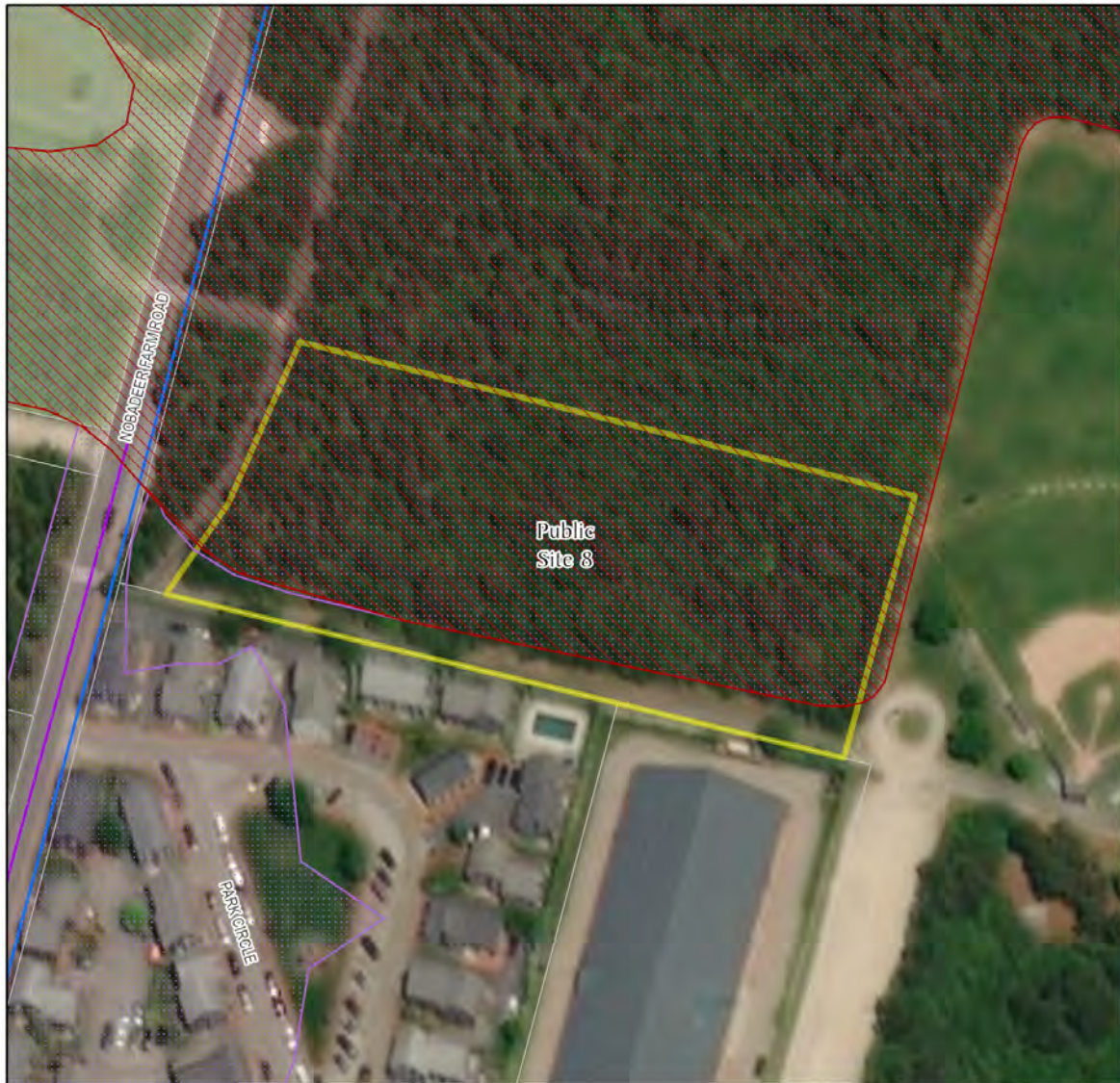
- Potential Housing Parcels
- NHESP Priority Habitat
- Core Habitat
- Open Space
- Water Network
- Sewer Network



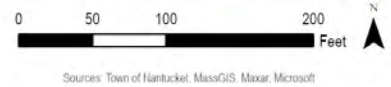
Sources: Town of Nantucket, MassGIS, Maxar, Microsoft

Address: 47 Okorwaw Av.	Owner: Town of Nantucket	Area (acres): 2.16
Parcel ID: 79 149	Constraints: Septic system, existing single-family home	
Zoning: Limited Use 1 (LUG-1), Country		
Infrastructure: No water or sewer service		

Public Site 8 **Description:** Vacant lot with potential for multifamily housing development



- Potential Housing Parcels
- NHESP Priority Habitat
- Core Habitat
- Open Space
- Water Network
- Sewer Network



Address: 10 Sun Valley Rd.	Owner: Airport Commission	Area (acres): 2.07
Parcel ID: 69 3.1	Constraints: BioMap2 Core Habitat, NHESP Priority Habitat area, FAA jurisdiction (proximity to airport)	
Zoning: Commercial Neighborhood (CN), Town		
Infrastructure: Water and sewer available		

Private Site 1	Description: Vacant lot with potential for mixed-use or multifamily housing development.		
<div><div><div><div><div><div><div><div></div><div>Potential Housing Parcels</div></div><div><div></div><div>Title 5 Setback Areas</div></div><div><div></div><div>Wetlands</div></div><div><div></div><div>Open Space</div></div><div><div></div><div>Water Network</div></div><div><div></div><div>Sewer Network</div></div></div></div><div><div><div>0</div><div>50</div><div>100</div><div>200</div><div>Feet</div></div><div><div>N</div><div></div></div></div><div>Sources: Town of Nantucket, MassGIS, Maxar, Microsoft</div></div></div></div></div>			
Address: 51 Sparks Av.		Owner: Marr Ventures	Area (acres): 2.31
Parcel ID: 55 266		Constraints: Currently leased by Stop and Shop	
Zoning: Commercial Mid-Island (CMI), Town, Mid-Island Planned Overlay District (MIPOD)			
Infrastructure: Water and sewer available			

Private Site 2	Description: Existing industrial site with potential for mixed-use or multifamily housing redevelopment.		
<div><div><div><div><div><div><div><div></div><div>Potential Housing Parcels</div></div><div><div></div><div>100 yr. flood zone</div></div><div><div></div><div>500 yr. flood zone</div></div><div><div></div><div>Open Space</div></div><div><div></div><div>Water Network</div></div><div><div></div><div>Sewer Network</div></div></div></div><div><div>050100200</div><div>Feet</div><div>N</div></div><div>Sources: Town of Nantucket, MassGIS, Maxar, Microsoft</div></div></div></div></div>			
Address: 57 Surfside Rd. / 3 Miacomet Av.		Owner: Keep on Trucking	Area (acres): 2.38
Parcel IDs: 67 218, 67 219, 67 210.5		Constraints: Existing industrial buildings and storage, part of property will be taken by Town for sewer pumping station, possible environmental factors related to current use. Portion of site in 500-year flood zone (Zone X).	
Zoning: Commercial Neighborhood (CN) [east], Residential 5 (R-5) [west], Town [full site]			
Infrastructure: Water and sewer available			

Private Site 3	Description: Single-family lot with potential for redevelopment.		
<div><div><div><div><div>Potential Housing Parcels</div><div>Title 5 Setback Areas</div><div>Wetlands</div></div><div><div>Open Space</div><div>Water Network</div><div>Sewer Network</div></div></div><div><div>050100200</div><div>Feet</div><div>N</div><div>Sources: Town of Nantucket, MassGIS, Maxar, Microsoft</div></div></div></div>			
Address: 31 Fairgrounds Rd.		Owner: Housing Nantucket	Area (acres): 1.97
Parcel ID: 67 149		Constraints: Existing single-family home and outbuilding.	
Zoning: Residential 10 (R-10), Town			
Infrastructure: Water and sewer available			

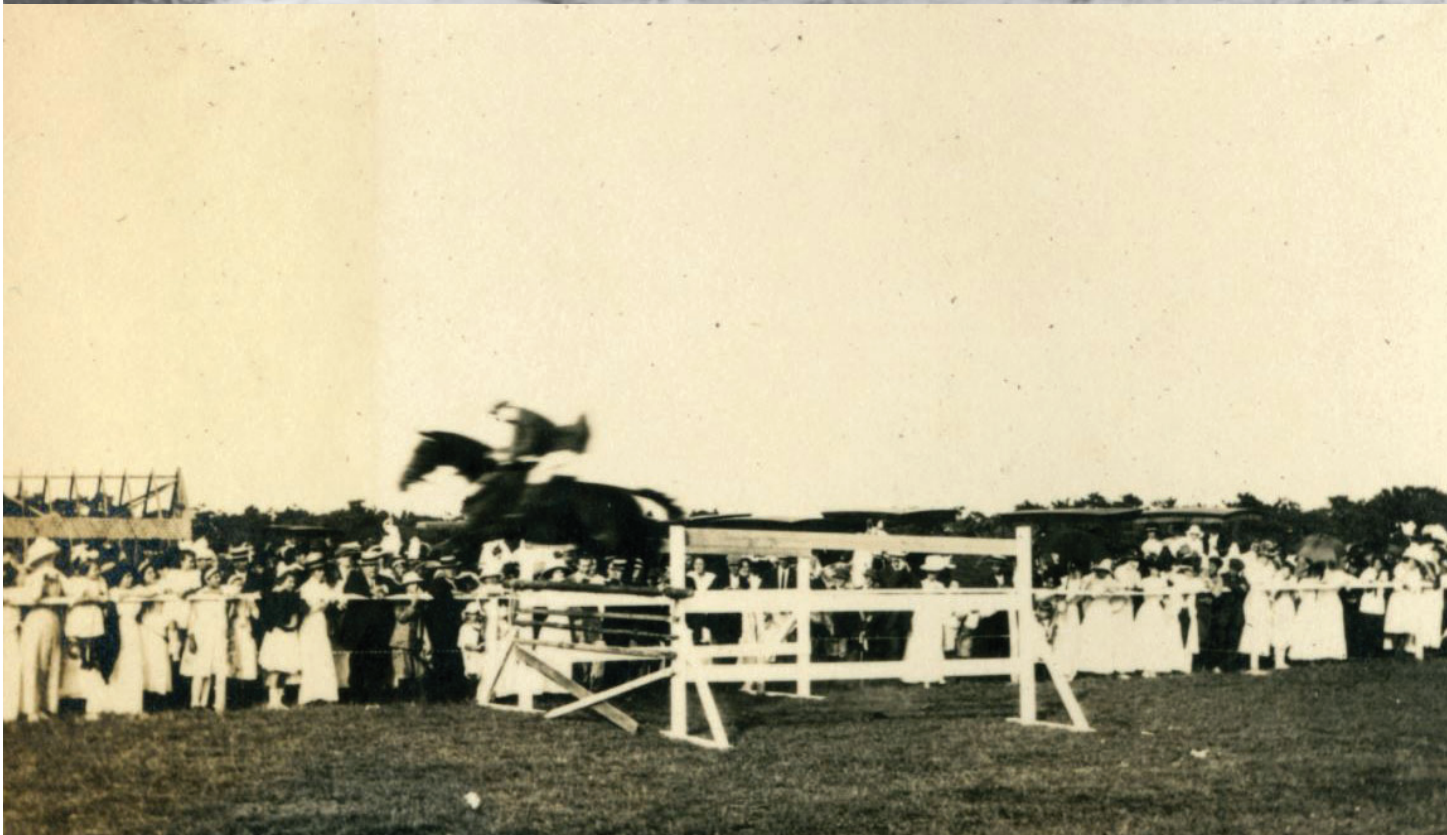
Private Site 4	Description: Single-family lot with potential for redevelopment.	
<div><div><div><div><div><div><div></div><div>Potential Housing Parcels</div></div><div><div></div><div>100 yr. flood zone</div></div><div><div></div><div>500 yr. flood zone</div></div></div><div><div><div></div><div>Open Space</div></div><div><div></div><div>Water Network</div></div><div><div></div><div>Sewer Network</div></div></div></div><div><div><div>0</div><div>50</div><div>100</div><div>200</div></div><div>Feet</div><div><div>N</div><div></div></div></div><div>Sources: Town of Nantucket, MassGIS, Maxar, Microsoft</div></div></div></div>		
Address: 10 Rugged Rd.	Owner: Delfmark LP	Area (acres): 4.98
Parcel ID: 67 303	Constraints: Existing single-family home and secondary dwelling.	
Zoning: Residential 20 (R-20), Town		
Infrastructure: Water and sewer available		

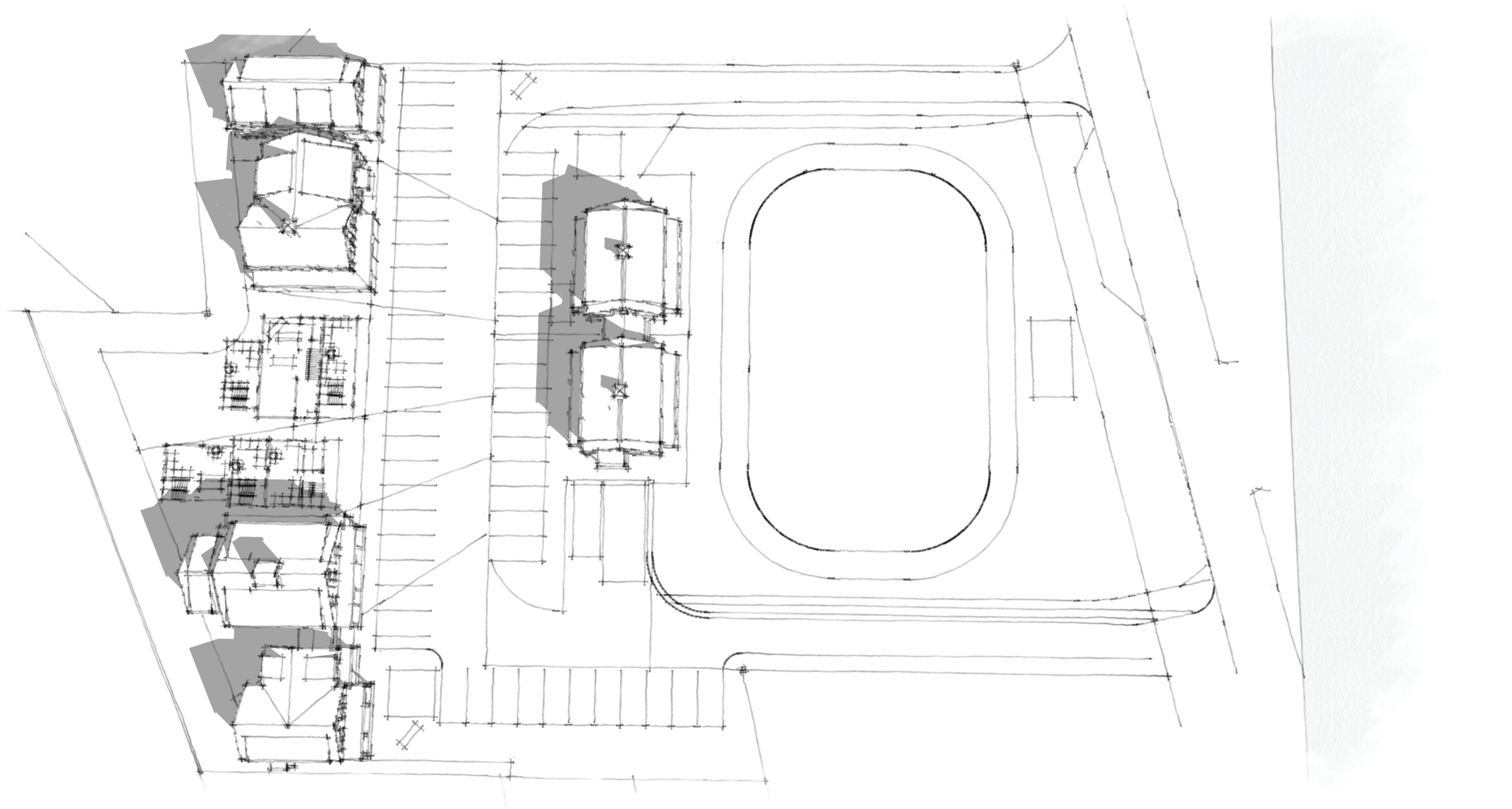
Private Site 5	Description: Vacant lots with potential for housing development.		
<div><div><div><div><div><div><div></div><div>Potential Housing Parcels</div></div><div><div></div><div>NHESP Priority Habitat</div></div><div><div></div><div>Core Habitat</div></div></div><div><div><div></div><div>Open Space</div></div><div><div></div><div>Water Network</div></div><div><div></div><div>Sewer Network</div></div></div></div><div><div><div>0</div><div>50</div><div>100</div><div>200</div></div><div>Feet</div><div><div>N</div><div></div></div></div><div>Sources: Town of Nantucket, MassGIS, Maxar, Microsoft</div></div></div></div>			
Address: 46-50 Milestone Rd.		Owner: Roman Catholic Church	Area (acres): 6.34
Parcel ID: 54 113, 54 113.1		Constraints: NHESP Priority Habitat and BioMap2 Core Habitat, large minimum lot size, septic requirements.	
Zoning: Limited Use 3 (LUG-3), Country			
Infrastructure: Water available, no sewer			

Private Site 6	Description: Existing industrial site with potential for redevelopment.		
<div><div><div><div><div><div></div><div>Potential Housing Parcels</div></div><div><div></div><div>100 yr. flood zone</div></div><div><div></div><div>500 yr. flood zone</div></div><div><div></div><div>Open Space</div></div><div><div></div><div>Water Network</div></div><div><div></div><div>Sewer Network</div></div></div><div><div><div>0</div><div>50</div><div>100</div><div>200</div></div><div>Feet</div><div>N</div></div><div>Sources: Town of Hantucket, MassGIS, Maxar, Microsoft</div></div></div></div>			
Address: 13 Woodland Dr.		Owner: Glowacki, Walter J.	Area (acres): 5.11
Parcel IDs: 79 8, 78 208		Constraints: Existing industrial buildings and storage, septic requirements.	
Zoning: Residential 20 (R-20) [west], Limited Use 2 (LUG-2) [east], Country [full site]			
Infrastructure: Water available, no sewer			

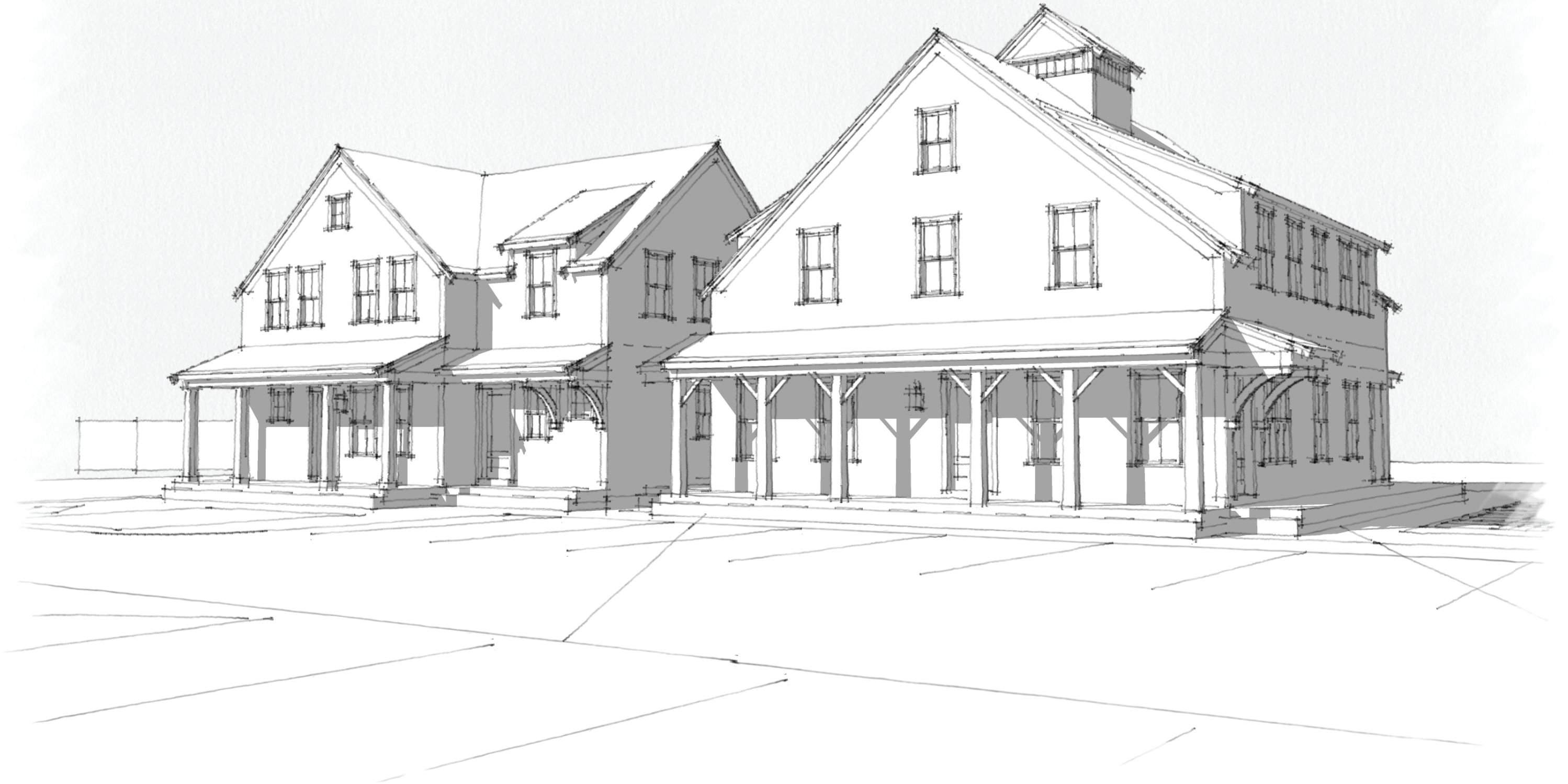
Affordable Housing Trust Fund

31 Fairgrounds Road - Concept Imagery

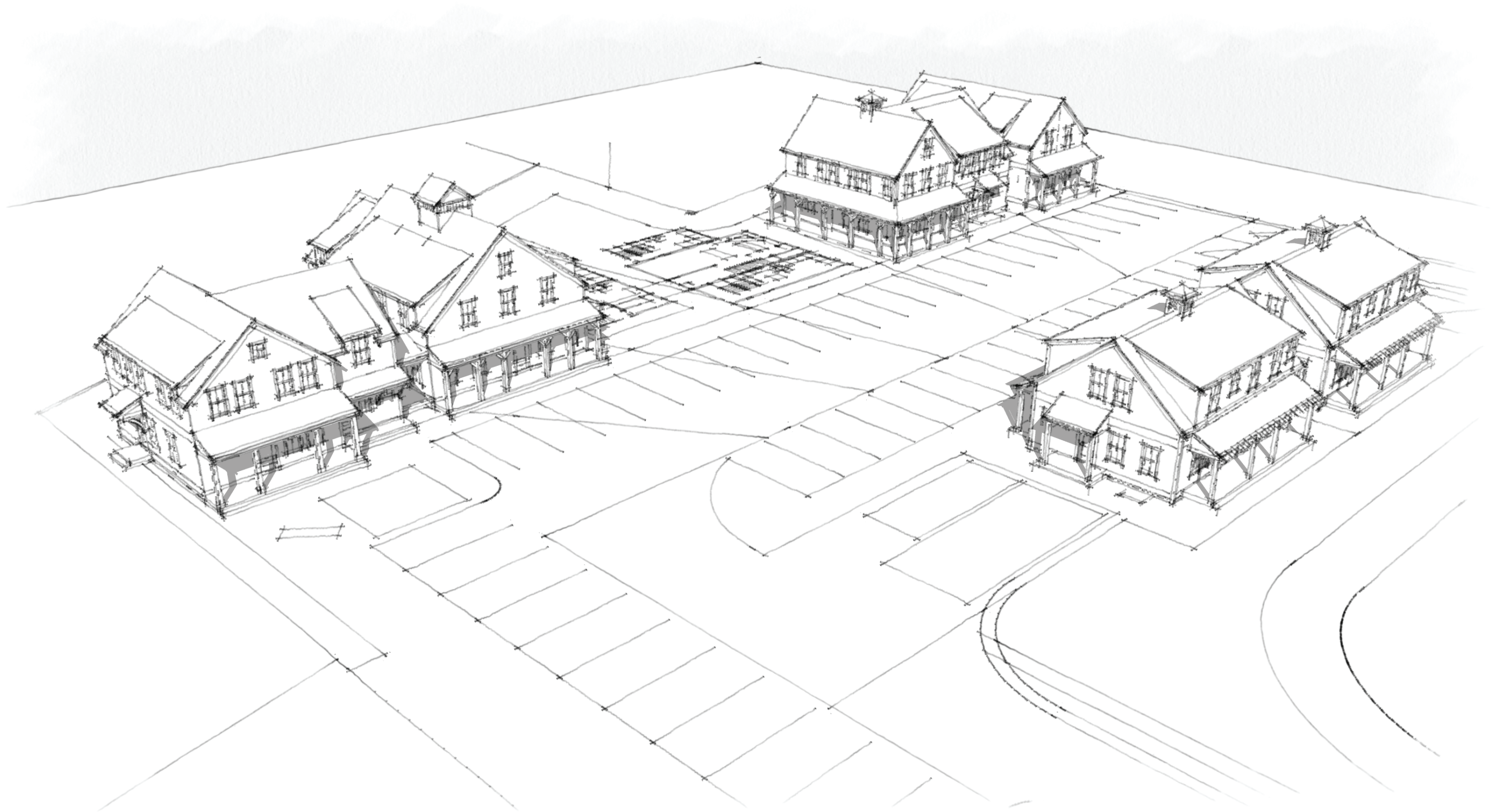
















DISCUSSION DOCUMENT

AHT Priorities – Between July 2021 and Annual Town Meeting 2022 (May 2nd, 2022 @ 5:00pm)

1. Hire New staff person
2. Establish Community Land Trust
3. Develop shared equity / down payment assistance program for year-rounders (homeownership)
4. Safe Harbor maintenance
5. Zoning review
6. Warrant article suggestion
7. 31 Fairgrounds open and occupied (by Summer 2022)
8. Wildflower Acceleration open and occupied (by Summer 2022)
9. Assist in the development of 6 Fairgrounds where we can (private developer project)
10. 135 + 137 Orange Street RFP issued and awarded
11. Vesper Lane plan developed
12. Acquire property to pair with Vesper Lane; develop plan
13. Collaboration with the Nantucket Land Bank
14. Collaboration with Nantucket Preservation Trust
15. Identify and advance funding options to support existing programs and implement programs identified above